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U.S. Department of State

WAGES IN GERMANY.

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MESSAGE

FROM THE

PRESIDENT OF THE UNITED STATES,

TRANSMITTING,

IN FURTHER RESPONSE TO RESOLUTION NO. 51, BY SENATOR LA FOLLETTE, OF MAY 25, 1909, A LETTER FROM THE ACTING SECRETARY OF STATE WITH ACCOMPANYING PAPERS FURNISHED BY THE GERMAN GOVERNMENT ON THE SUBJECT OF WAGES PAID TO GERMAN WORKMEN.

MAY 29, 1909.—Read; referred to the Committee on Finance, and ordered to be printed.

To the Senate:

In further response to the resolution adopted by the Senate on the 25th instant, requesting the President, if not incompatible in his judgment with the public interests, to transmit to the Senate the statement of the German Government or its officers in relation to the wages paid to German workmen, I transmit herewith the documents furnished by the German Government on the subject, which this day were returned by the Committee on Finance of the Senate to the Department of State.

The attention of the Senate is invited to the statement in the accompanying report of the Acting Secretary of State that these documents were obtained upon the understanding that the names of manufacturers were to be held confidential and that the information furnished will not be made the basis of administrative action.

Wm. H. Taft.

THE WHITE HOUSE, May 28, 1909.

DEPARTMENT OF STATE,  
Washington, May 28, 1909.

Since the transmission to you this morning of my report of May 26, 1909, in response to the resolution of the Senate dated May 25, 1909, requesting the President, if not incompatible in his judgment

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with the public interests, to transmit to the Senate the statement of the German Government or its officers in relation to the wages paid to German workmen, the papers which were on the 3d and 13th of April, 1909, transmitted to the Committee on Finance of the Senate, have been returned to this department by the committee. I have the honor, therefore, to submit them herewith to the end that, if your judgment approve thereof, they may be transmitted to the Senate in compliance with its resolution.

The information contained in the papers was furnished by the German Government upon the understanding that the names of manufacturers were to be held confidential and that the information given would not be made the basis of administrative action. Accordingly, by an understanding with the Committee on Finance the names of manufacturers had been for convenience elided.

Respectfully submitted.

HUNTINGTON WILSON,  
*Acting Secretary of State.*

The PRESIDENT.

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#### SCHEDULE A.—CHEMICALS.

##### TETRACHLORID OF TIN.

[Pamphlet 26, p. 3646.]

The following statement has been made to the Union for the Protection of the Interests of the German Chemical Industry:

Mr. George R. Bower, an American who is interested in the subject, wishes to have a specific duty of  $5\frac{1}{2}$  cents per pound (equivalent to about 30 per cent ad valorem) substituted in place of the present ad valorem duty of 25 per cent on anhydrous liquid tetrachlorid of tin. The statements made by Mr. Bower, and further on also by the Henry Bower Chemical Manufacturing Company, a firm represented by him, regarding the status and vital conditions of this branch of industry, are for the most part incorrect. This applies in the first place to the statements regarding the cost of labor, which is said to be 100 per cent dearer in America than in Germany. A similar false statement to the effect that the cost of labor in the American chemical industry is 100 to 150 per cent higher than in Germany occurs also in another place. These statements are due to an absolute ignorance of actual conditions. According to the experience of German firms which have branches in the United States, the wages paid in Germany as compared with those paid in the United States should only be estimated at about 50 per cent lower. The Henry Bower Manufacturing Company has proposed a specific duty of  $5\frac{1}{2}$  cents per pound in lieu of the proposed ad valorem duty, claiming that this rate would be equivalent to an ad valorem duty of 25 per cent, taking as a basis a price of 22 cents per pound. However, the price thus taken as a basis is not correct, as the price of tetrachlorid of tin, according to information furnished us by expert authority, was about 19 cents (in December of last year), delivered free at the place of consumption in America.

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## CREOSOTE AND GUAIACOL.

[Pamphlet 17, p. 2003.]

The American Tariff Hearings contain a request by an American factory, the Northern Chemical Works, of Whitefield, N. H., to increase the present ad valorem duty of 25 per cent on beechwood creosote to 25 cents per pound English, and on guaiacol to 50 cents. These products were first furnished in sufficient purity for medical use by German manufacturers in 1882. The imports to America come chiefly from Germany.

The specific duty of 25 cents per pound on creosote, as now requested by our new American competitors, is equal to 2.32 marks per kilogram. The present price of creosote is 2.95 marks per kilogram, shipped from Hanover. The duty asked, therefore, amounts to 80 per cent of the present value of the goods and in the case of guaiacol, a petty article, about 60 per cent. Creosote and guaiacol are petty medicinal articles the sale of which is rendered very difficult by excessive competition. The present price of creosote is therefore very unprofitable and can not continue any length of time. Normally, the price ought to be at least 4 marks per kilogram. Then the present ad valorem duty paid to the Americans would be 1 mark, to which would be added about 30 pfennigs for freight. The Americans would thus be ahead of the German imports by 1.30 marks, or about 30 per cent, even under the present tariff, an amount of protection with which they should be very well satisfied.

The Americans suspect that German importers quote prices at the custom-house which are far below the actual value. We must positively refute this as quite impossible. The consular invoices and the American customs officials, who keep very accurately informed on German market prices, afford a guaranty of the correctness of the declarations.

The figures quoted by our American competitors are not correct, nor is the statement that the name creosote is one of broad application. Beechwood creosote is an exact and restrictive term. There is none of this substance at 1 cent or \$2 a pound. The wholesale price of beechwood creosote is much lower than given. The prices, given too high, were invented in order to give a show of justification to the exorbitant duty demanded.

## ANILINE DYES.

[Schedule A, No. 15.]

The Chamber of Commerce at Dusseldorf transmits the following reply to the statements of Doctor Schöllkopf regarding the aniline-dye industry (pamphlet 2, p. 59 et seq.):

Table A: These figures have been chosen quite arbitrarily. For the factory cited as an example in the United States, consisting of 83 laborers, 8 chemists, a good-sized commercial bureau, chemical and coloring laboratories, and warehouses, the buildings can not be erected in Germany for \$60,000 (252,000 marks), and not even for \$100,000 (420,000 marks), which is the amount given by Schöllkopf as being required to build them in America. Generally speaking,

building is considerably cheaper in the United States than in Germany. Although wages are dearer, nevertheless it is a custom there to use lumber almost exclusively in these structures. Only in the rarest cases are requirements made for beauty of appearance; there are no local police regulations in the regions in question; and there are also no formalities necessary for procuring licenses. The expensive clothing rooms and dining and bath rooms found in German chemical factories are unknown over there.

Sites suitable for aniline-dye factories are rare in Germany, and consequently expensive. The establishment of chemical factories in America is very easy, as complaints against molestation and contamination of water courses are settled in civil courts. At all events, the assumption that suitable land can be found in Germany for \$50,000 is pure imagination.

"Machinery and tools." The prices of these could with equal justification be reduced to half or doubled. In view of the great number of aniline colors, which are produced by entirely different processes of manufacture, nothing reliable regarding the cost of the apparatus can be given. The wooden receptacles most often used (vats, boxes) are cheaper in America, owing to the cheaper price of lumber.

Table B: The figures given under this head can only be followed out in so far as they relate to help which can at all times be replaced, "obtainable in the open labor market." Much different salaries are paid in Germany for special work. On the other hand, a general manager is not necessary in a factory of 83 workmen. It is to be supposed that this position represents the earnings of the owner of the business or of a partner, the firm of Schöllkopf, Hartford & Hanna Company, being itself a family concern whose principal member is Doctor Schöllkopf. (The whole table is evidently based on this firm.) The amount given as the salary for chemists is too little, even those just out of the university receiving over \$600 a year. By "dyers" must be meant colorists, who are not mentioned elsewhere and who are classed on an equal footing in Germany with well paid chemists. For \$390 untrained laborers can hardly be obtained, not to speak of trained dyers on whom very great requirements are placed in aniline-dye works. Clerks at \$400 or even \$350 are unknown in the German aniline-dye industry, as a good education and a familiarity with foreign languages are absolutely required.

Equally unreliable are Schöllkopf's statements regarding the wages of trained workmen (machinists, etc.) and ordinary laborers. These wages have continually and considerably increased in Germany within but recent years.

Table C: The figures can hardly be verified as to their accuracy [which year?]. Many prices very high; indeed, this is also the case in the column "cost in Germany." For instance, nitrite soda, given by Schöllkopf at 60 marks, has been purchasable in Germany for years for about 50 marks per 100 kilograms. As is known, caustic and ammoniac soda are also rendered dear in Germany by import duties. The organic products can rather be bought more cheaply in America, where the more important are free of duty.

Table D: Schöllkopf admits himself that coal is cheaper in America than in Germany. The calculation of interest on the capital, which

is estimated too high in Table A, may be disposed of in accordance with what was said above. That the payments to be made on loans will be higher than in the case of better constructed buildings is easily understood. Likewise the fire insurance on frame buildings will be higher than in Germany on solid structures. At least 6,000 marks would have to be calculated for the laborers' insurance on 83 laborers, insurance against sickness, etc., in Germany, without taking into consideration the very prevalent voluntary insurance of laborers against accidents outside the factories and against death. Taxes are higher in Germany.

Schöllkopf speaks of two big combinations. "There used to be a dozen, but they have combined." This is really incorrect. Besides the two combinations (1) Bad. Aniline and Soda Factory, Ludwigshafen, Elberfeld Dye Works, and the Aniline Manufacturing Company, Berlin, and (2) Höchst Dye Works, Leop, Cassella & Co., and Kalle & Co., there are a whole lot of other aniline dye factories, such as the Elektron Oehler Chemical Factory, Weiler-ter-Meer, Wülfing, Dahl & Co., Griesheim Chemical Works, Beyer & Kegel, Lembach & Schleicher, Dr. Remy & Co., Wilh. Brauns, and C. Jäger, Dusseldorf. Moreover, the Swiss factories are quite serious competitors; there are a few in England and one in France, while the Russian factories need not be taken into account. The smaller factories are obliged to buy a large part of their basic substances from their large competitors. In the matter of inorganic chemicals, which the large manufacturers produce themselves, the small manufacturers are handicapped at least to the extent of the customs duty.

The United States is the very place where the keenest competition prevails in aniline dyes, owing to the great consumption there of this product. It is a struggle of all against all, even the firms composing the combination contending among themselves, rather in the purchase of the material than in the sale of the product, to which is added the smaller German aniline-dye industry and the same industry in other countries, especially Switzerland.

#### COAL-TAR COLORS.

[Schedule A, No. 15.—Pamphlet 1, pp. 12, 22; pamphlet 2, p. 59; pamphlet 17, p. 1999.]

The hearings given to the American interested parties have induced a prominent manufacturer of coal-tar colors to make the following remarks:

On November 11, 1908, Mr. Schöllkopf, of the firm of Schöllkopf, Hartford & Hanna Company, of Buffalo, N. Y., the foremost representative of the American tar-color industry, requested that the duty on coal-tar dyestuffs, which had hitherto been 30 per cent ad valorem, be increased to 40 per cent, while on the other hand he wishes to have all coal-tar products—that is, the basic substances and intermediate products of the tar-color industry—left on the free list or put on the free list in the new tariff. On the other hand, the producers and elaborators of coke-oven products, among them the Barrett Manufacturing Company, Frankford, Philadelphia, asked for a protective duty on coal tar and its distillates, benzol, toluol, napthalin, etc., and demand also, for the sake of building up the whole coal-tar and coal-

tar-color industry in the United States, protective duties on the so-called intermediate products alongside those on coal-tar colors. Of the intermediate products which are not now manufactured in the United States they seem particularly to desire that the manufacture of aniline oil and aniline salt, which are imported free of duty in considerable quantities, be protected by an ad valorem duty of 20 per cent, and they further desire the same duty on the likewise important naphtols (alpha naphtol and beta naphtol) and naphtylamine, etc. A number of these intermediate products, especially the so-called aniline oil, aniline salt, naphtols, and naphtylamine, serve only in part in the further manufacture of tar colors and are for the most part employed directly for dyeing purposes, so that a duty on them would directly injure our importing interests. In connection with these requests there is also one to introduce a duty on alizarin, of which anthracene is the basic substance, whereby it is desired to strike section 469 of the Dingley tariff off the free list.

We wish below to examine the statements of the aforementioned Mr. Schöllkopf before the Committee on Ways and Means somewhat more in detail.

This gentleman submitted a number of tables in order to prove that the costs of production for tar dyes in the United States are considerably higher than in Germany. Nevertheless any expert judge will immediately recognize that the tables can have no value as evidence, for they are based on a total production of 3,000,000 pounds without the individual products and dyes of which this total production is composed being mentioned. Such a summary procedure can not, of course, afford a correct idea, as the various dyes are produced from entirely different raw materials and according to widely diverging methods of manufacture, besides showing great differences in price. A comparison would only be correct and of value if the costs of production of separate and specific dyes in the United States and in Germany could be compared together.

#### SCHEDULE B.—EARTHS, EARTHENWARE, AND GLASSWARE.

##### CHINA WARE.

The —— makes the following statement in reference to pamphlet 28, page 4011:

The statements on page 4011 et seq. are little in accordance with actual facts, for it is asserted among other things that women or girls are employed in Germany in the glazing of dishes and in the kiln work, whereas in reality female labor in this industry is almost impossible, the employment of female labor in kilns being prohibited by police regulations in certain regions of Germany (for instance, in the district of Upper Franconia, where the greater part of the German china-ware factories are situated). Consequently the rates of wages given for female labor must be excluded in making the comparison. It is further seen from the statements made in the hearings that the German wages are everywhere given at the minimum rate at which the work in question is performed here and there, while for the American laborer certainly only the highest rates of wages are taken. Inasmuch, therefore, as the labor which is in reality performed by

men can naturally not be had for the wages assumed as being paid to female laborers, quite a large difference occurs in the relative wages given in the cases cited. This same rectification must also be made with respect to the production of cups and saucers, since turners who are trained workmen are frequently employed in this work in Germany, the employment of girls being by no means the rule.

Table 12 and the following tables contain data based on reports from the chamber of commerce of Sonneberg.

The data given by this chamber of commerce are based on conditions as they exist in this district, but these conditions do not serve as an index for the regions in which the real china-ware industry has its seat.

In the Sonneberg district real table dishes are not manufactured, and the production of plates and cups is also inconsiderable. Entirely different articles are manufactured there, such as dolls, doll heads, trinkets, figures, etc. The manufacture of these articles is much easier, as cheaper raw materials are used, and these articles are produced with a much lower fire than in the manufacture of real dishes, such as are principally exported to the United States.

We, therefore, can not accept the data furnished by the Chamber of Commerce of Sonneberg as showing the real and general conditions, and we must rectify them as follows:

In Table 13 (p. 4012 of the Hearings) we wish to take the principal categories of laborers there mentioned and give the salaries actually paid as follows:

	Amount actually earned per week in Germany.	Amount given.	Differ- ence.
			Per cent.
Turners.....	\$8.00	\$6.78	20
Glaziers .....	6.00	3.47	75
Burners.....	7.50	3.47	100
Assorters.....	4.60	3.04	50
Day laborers.....	4.50	3.06	<sup>a</sup> 70

<sup>a</sup> More than given by the American informer.

The great discrepancies in the wages of glaziers, burners, and day laborers are due to the fact that the data relating to Germany, in Table 13, of the Tariff Hearings assumed a rate of wages paid to women, whereas the great majority of laborers employed in glazing and burning are men.

For instance, in Bavaria the placing in and taking out of the kilns by women is prohibited by the factory inspector by way of police regulations. In the case of day laborers as low a rate as \$3.06 is not paid anywhere, as women are not employed in this capacity anywhere.

The incorrectness of the difference between German and American wages, which is calculated at 218 per cent, may therefore be considered as proven.

That great errors are also made in stating the prices paid by the piece is shown by Table 14 (p. 4012 of the Hearings), for upon careful inquiry the wages by the piece are found to average as follows per dozen:

	Actually paid in Germany.	Price as given.
Plates:		
8-inch, 24½ centimeters .....	\$0.07	\$0.04
7-inch, 22 centimeters .....	.055	.039
6-inch, 19½ centimeters .....	.045	.024
5-inch, 17 centimeters .....	.03	.017
8-inch, deep, 24½ centimeters .....	.077	.04
7-inch, deep, 22 centimeters .....	.06	.03
6-inch, deep, 19½-20 centimeters .....	.05	.024
Fruit saucers, deep .....	.023	.015
Ice creams, deep .....	.023	.015
Oatmeals, deep .....	.027	.02
Cups and saucers:		
Handled, deep .....	.06	.031
Thin, deep .....	.09	.041

Many factories, however, have to pay considerably higher wages. It must, finally, also be taken into consideration that the German manufacturers are compelled by law to contribute toward sick funds and old age, disability, and accident insurance. These contributions amount to 2 or 3 per cent of the wages, so that the figures given by us must be correspondingly increased.

In Table 15 (p. 4013 of the hearings) raw materials are mentioned which are not all used in our industry, while in the case of some of them other kinds are used than in the American factories. For instance, we do not use ball clay at all, while a more expensive quality of china clay, spar, and coal is required by us than can be obtained at the prices given by the American informant.

	Cost per 1,000 kilograms in Germany.	Cost as given.
China clay, about .....	\$15.00-\$16.50	\$9.64
Flint, about .....	12.50	7.73
Feldspar, about .....	9.00- 15.00	7.73
Sand .....	2.00- 3.00	1.43
Coal .....	3.25- 6.25	3.69

The cheap coal at \$3.25 is a brown coal which is used very little, the burning being almost entirely done with anthracite coal, which costs the German manufacturers \$6.25.

We must characterize it as absolutely improper to strike an average of the prices of raw materials and compare it with the average in America. In the manufacture of china ware the expensive materials, such as china clay and feldspar, as well as coal, are used in much greater proportions than in the earthenware products of the United States. It would therefore seem just and proper to us if an attempt were made to determine the cost of the substance actually used, for a substance containing, for instance, 50 per cent of china clay is naturally dearer than a substance containing a smaller admixture of this clay. Moreover, the quality is an important factor in calculating

the price. Another exceedingly important factor is the fact that, in order to obtain the high temperatures necessary in producing china ware, much larger quantities of coal must be used than for a product which requires only half the same temperature in burning. In view of these peculiar conditions of manufacture, it seems to us impossible to draw a comparison between the products of the two countries.

The figures given in our communication as representing average wages, individual prices, and raw materials were determined on the basis of thorough inquiries made in a number of china-ware factories which are prominent among those engaged in exporting to the United States. These factories, in which the conditions with respect to labor and wages may serve as a standard for the other factories, are located partly in Bavaria, partly in Thuringia and Silesia.

Our association has also sent sworn declarations regarding wages, individual prices, raw materials, etc., to America, and we append hereto a copy of these declarations.

#### GLAZED EARTHENWARE (STEINGUT).

The following has been reported to the Chamber of Commerce of Bonn in regard to pamphlet 28, page 3980 (cf. also pamphlet 13, p. 1438) :

In justification of the increased tariff duties claimed to be necessary on fine ceramic products, the American manufacturers and their representatives first of all renew the assertion that undervaluation is constantly occurring in the importation of German ware into the United States. We must energetically protest against this charge as far as the earthenware industry is concerned. We are of opinion that, after all the inquiries made by the Americans, partly in secret and partly in the open; after the declarations given under oath and certified to by the chambers of commerce and the American consulates; after the exhibition of the books and correspondence of the manufacturers, there can hardly be any longer any doubt as to the market value of German earthenware products. Apart from the fact that the American manufacturers themselves have sent confidential agents to Germany, who employed questionable methods in gaining information regarding the manufacture, cost, and prices of these products, the agents of the United States Treasury have sought to inform themselves in numerous factories regarding all details worth knowing, and they will certainly testify that they have been shown the greatest courtesy and frankness by the earthenware manufacturers of the German Empire. Furthermore, a special commission of the Treasury Department, in company with the aforementioned agents, held extensive conferences last year with the representatives of the more important German earthenware factories, this time also for the sole purpose of posting themselves regarding the actual market value of German earthenware products. In these conferences all questions which the commission found it necessary to ask were answered with the greatest frankness, the answers being substantiated by the exhibition of price lists, accounts, etc. It was proven on this occasion that there were certainly a large number of sound reasons which must make it appear explainable if the export prices should be made specially lower also to the United States than the home prices, but that in view of the existing tariff laws of the United States this would not be done. After examining the proofs exhibited, the commission admitted that the special

additional duty of 19 per cent levied by the United States on German products owing to a suspicion of undervaluation was unjustified.

Furthermore, the various chambers of commerce have repeatedly certified officially to the agreement between the export prices and the home-market value, and we can not too energetically protest against the discrediting of these certificates on the part of Mr. Burgess, the representative of the American manufacturers, who is well known in Germany for his somewhat unscrupulous methods of inquiry, he making the statement that the chambers of commerce accept the declarations of the manufacturers as true without further inquiry and certify to their correctness. (Hearings, pp. 39-88.) Whenever we have given such certificates we have always most conscientiously endeavored to verify the declarations made, and we are certain that all other chambers of commerce have fulfilled their duty in like manner. If Mr. Burgess feels compelled to fight with such weapons as this, the other grounds for his demands must certainly not appear tenable even to himself.

When it is contended that our own statistics afford evidence of undervaluation for the reason that the estimated total of our exports to the United States is greater than shown by the statistics of the United States prepared on the basis of the bills for the imported goods, we must answer by saying that such estimates must always be very doubtful in the case of products which vary so greatly in price according to their quality. There is, for instance, a great difference whether 100 kilograms of the most finely decorated ware is sent or whether only the most ordinary staple article is referred to. Moreover, 100 kilograms of a single article from one firm may very easily be less in value than 100 kilograms of exactly the same article of another firm. Then again, 100 kilograms of hollow ware will have a much different value than 100 kilograms of so-called "Platterie." The quality of the ware, its composition, its character, its make-up, etc., play too important a rôle in the determination of the value for estimated values to lay claim even to approximate accuracy.

Besides the fact that the American manufacturers still unjustly assert that undervaluation exists in spite of all their scrutiny into the most intimate business and manufacturing conditions, they also maintain that the higher cost of manufacture in general and the materially higher wages in particular should justify a most extraordinary increase in the customs duties. Let us first of all examine into the higher cost of manufacture.

In the first place, the Americans claim that the capital invested in a factory in the United States is necessarily much greater than in a factory of similar extent in England and still more so on the Continent. On the one hand, it is said that the land is dearer, and then that the cost of raw materials and wages is considerably higher; that a much larger warehouse must be maintained by the American factories, and finally that they have many outstanding debts, while the foreign manufacturer receives his payment promptly from the importing houses.

In connection with the cost of land we wish to remark that probably only in the larger manufacturing centers the land may be dearer than in Germany, although even here these prices have risen considerably in large cities. It would be difficult to draw comparisons in this regard. However, we are also aware of the fact that in the

United States cities (especially smaller ones) grant great favors to newly established factories with respect to the acquisition of lands, among other things, free building space, exemption from taxes for a number of years, and sometimes free water and natural gas, where this is present in abundance; and it even happens that cash is given as a bonus under the condition, for instance, that it shall become the property of the factory owner if he continues to operate the factory for a number of years. Many factories are consequently established for the direct purpose of robbing the people of money. Then again, building regulations and restrictions in our sense of the word do not exist to hinder the American manufacturer in the erection of his new factory, thus rendering it more expensive, as is the case with us. Hygienic regulations, which materially increase the cost of building here, are likewise absent, and smoke regulations do not disturb the manufacturer in his enterprise. To the further question of the cost of the raw materials we shall come back again. That the foreign manufacturer—that is, the German manufacturer—does not have to keep a very large stock on hand, at least not for a very long time, from which to fill the orders from the American import houses, is correct; this is one of the very reasons which would make a lower price for these goods seem justified, as they are usually ordered for America in large lots. However, there is no German earthenware factory which sells all or even a majority of its products to America, they being all dependent to a considerable extent on the sales at home or in other export markets, where the conditions of the business are different; and they are therefore all obliged to keep large stocks on hand, the same as the American factories. A glance at the balances of accounts of the German earthenware factories, which exist in the form of joint-stock companies, will show how high these stocks of goods must be valued. According to the last financial statements of three large earthenware factories, these stocks of goods amounted to 70, 41, and 40 per cent of the entire sales of goods. It is the same with regard to the question of outstanding debts. It is true that prompt payments are received from the American importers in consideration of due discounts; however, in the business transacted at home there are perhaps larger items of outstanding debts than in America, where prompter payment is the general rule. This is also amply proven by the balance sheets of our joint-stock companies. In the case of the aforementioned three factories the outstanding debts amounted to 36, 16, and 11 per cent of the entire business transacted.

Furthermore, the statement that the cost of materials is higher in the United States than in Germany is incorrect when made in so general a manner. Regarding this cost the Americans give the following data (p. 4002):

	England.	America.
China clay, English .....	\$7.30	\$11.30
Ball clay:		
American .....	5.57	8.70
English .....		9.45
Flint dry .....	4.42	8.28
Feldspar .....	13.00	11.76
Stone .....	10.20	14.00
Sagger marl .....	.90	2.16
Wad clay .....	.96	1.62
Sand .....	3.20	3.70
Coal .....	2.75	3.50

We have also made inquiries regarding the more important of these articles in Germany, the information gathered being from factories situated on navigable waterways, and procuring their foreign materials on vessels sailing directly from England or France, and also from factories situated inland. In the case of these latter the costs of foreign materials must naturally be higher, owing to the higher freight rates. On the basis of these inquiries we have the following figures to compare:

	Factories situated on a water- way.	Factories situated inland.
1. China clay, English.....	\$8.81	\$10.24
2. Ball clay, English.....	6.43	8.00
3. Flint dry.....	9.52	10.95
4. Feldspar .....	(?)	(?)
5. Stone.....	10.50	11.90
6. Sagger's marl.....	3.45	3.45
7. Wad clay.....	1.80	1.80
8. Sand .....	6.00	6.00
9. Coal.....	4.45	4.45

This list shows, in the first place, that our home materials indicated under numbers 6, 7, and 8 are at any rate much higher than in America, and that also among the foreign materials flint costs all our factories more than it does the American factories. The only materials which are somewhat cheaper to our factories are those enumerated under numbers 1, 2, and 5, but still the difference is not so great, especially to the inland factories, but that it would be entirely offset by the higher prices for the other materials. The data given for American coal seem too high to us. We have other data furnished us by disinterested parties who are well acquainted with conditions in the United States, and we wish to compare them with the figures given by Mr. Burgess. Inferior boiler coal costs \$1.05 a ton in the Ohio Valley and better coal from \$2.50 to \$3 at most. Moreover, natural gas is frequently used in American pottery works, the cost being only \$0.10 per 1,000 cubic feet. This gas is also clean and convenient to use and enables a saving to be made in labor. To be sure, it is admitted on page 4,013 of the Tariff Hearings that the cost of coal is higher here than in America, but we think that the price of \$3.50 as given for America is too high, while the rate of \$3.69 as given for our factories is certainly too low, as the data ascertained by us abundantly show. We believe we are not wrong in stating that no more than half the amount is ever spent in a pottery works of the United States that is spent in our factories.

As regards the statements concerning wages by the piece for certain important articles, as well as the weekly wages paid, we wish at once to state in general that these statements must always appear exceedingly doubtful when the particular circumstances under which the wages are paid are not exactly specified. For the amount of wages depends essentially on the internal organization of a factory and also on whether the workmen produce the various articles alone or with the aid of assistants, how many such assistants are furnished, whether the assistants are paid by the head workman or receive special wages and are correspondingly trained; whether the sub-

stance to be used in manufacturing the product is brought to the workmen at their place of work free of charge; also whether the completed article is sent for there and who has to attend to bringing the necessary molds, and whether deductions are made from the laborer's wages for apprentices, consumption of material, cleaning of the workshop, lighting, etc. All these things naturally influence the piece wages paid for the articles produced, as well as the weekly wages, which also depend on the degree of skill of the individual workman. Then again, the pay by the piece naturally varies for one and the same article according to its size and shape. In the comparative table given on page 4009 of the Tariff Hearings, showing the wages paid by the piece for certain of the more important staple articles in Germany, Holland, and America, no special remarks are made regarding the size and shape of the articles, it being only added in regard to plates that those meant are 7-inch plates. It is true that in these tables of piece wages in England and America the sizes are given in the case of certain articles at least, but the shapes are not mentioned, and sometimes the statements differ, as, for instance, in the case of cuspidors, teapots, casseroles, and soup tureens. It is therefore hard to tell whether identical articles are compared together here, and we even presume that for the very reason that no specific explanation is made, the word "dozen" is not always used to designate 12 pieces, but that the word is used, as frequently in England, to designate a certain space taken up in the kiln.

Even if we overlook all these serious objections to so superficial a comparison of wages, and assume that the articles compared are identical as well as that the organization of all the factories is the same, nevertheless it is shown that the rates of wages given especially for Germany are incorrect. We have obtained the wages paid on the chief staple articles by 15 earthenware manufacturers from all the various regions of Germany, and can assume with certainty that the data furnished us are correct, especially as the inquiry was originally made for an entirely different purpose. Among the factories are some which are modern and equipped with the latest improvements, while others are older; then there are some of them which produce the best quality of ware and others which manufacture only ordinary or inferior qualities; finally there are some which export and some which do not. Of course the wages paid by the piece in these factories vary, this being a result of the unequal cost of living in the various parts of Germany; nevertheless the differences are not so great as one is inclined to suppose, and this very fact may serve as a guaranty that the data furnished are in accordance with facts.

On the basis of these data we find the average wages per dozen of the following articles to be as follows:

Plates, 23 centimeters (7 inches) -----	\$0. 0254
Cups-----	. 0239
Saucers-----	. 0165
Bowls with straight legs-----	. 0299
Bowls with curved legs-----	. 0588
Teapots-----	. 441
Cuspidors -----	. 767
Soup tureens, round-----	. 543
Soup tureens, oval -----	. 714

In these data the sizes and shapes of the various articles taken were those which are principally exported to the United States. One

dollar was taken to be equal to 4.20 marks. The result differs materially from the figures given by the Americans, which appear as follows on page 4009 of the Tariff Hearings:

	Germany	America.
Plates, 23-centimeter (7-inch) .....	\$0.0148	\$00.04
Cups .....	.0075	.0325
Saucers .....	.0075	.0275
Bowls with straight legs .....	.0075	.035
Bowls with curved legs .....	.0091	.05
Teapots .....	.24	.68
Cuspidors .....	.12	.38
Soup tureens .....		2.07

From this we can only draw the conclusion that the inquiries made by the Americans resulted in procuring erroneous data and that articles were compared together which are not capable of comparison, or else that the wages do not represent the compensation of the laborer alone, but also of his assistants. That our figures can lay much greater claim to correctness is also shown by making a comparison with the wages given for England. These are as follows, according to the Tariff Hearings:

	As given.	In Germany.
Plates, 23-eentimeter .....	\$0.026	\$0.0254
Cups .....	.0147	.0239
Saucers .....	.0168	.0165
Bowls with straight legs .....	.021	.0299
Bowls with curved legs .....	.021	.0588
Teapots .....	.598	.441
Cuspidors .....	.758	.767
Soup tureens .....	1.67	{ .543 .714

The large difference between the piece wages for cups in England and Germany can only be explained by the fact that two different shapes are compared together. Probably the figure given for England refers to the cup known in Germany as the "Stuttgart" or "breakfast cup," which is also listed by some of our factories and on which the wages by the piece are variously given at \$0.0171 and \$0.0186 and higher. The fact that the same wages are indicated for bowls with curved legs as those with straight legs in England must be due to an error, for it is easily understood that the former kind would require higher wages than the latter, because the curved leg must be specially turned. We can not understand the high rates given for soup tureens, as given for both England and America. We consider the American rate of \$2.07—that is, \$0.17 or 71.4 pfennigs apiece in wages alone to be impossible. We also have great doubts regarding the American wages given for plates, and are inclined to suppose that the turner does not receive this rate alone but that he must pay his assistant out of it. However, even if we should waive this doubt the piece wages paid in America are by no means as much higher as represented by the Americans, for the rate is 57.5 per cent higher in the case of plates, 36 per cent for cups, 66.67 per cent for saucers, 17 per cent for straight-legged bowls, and 54.2 per cent for teapots, while in the case

of bowls with curved legs and cuspidors the German rates are even higher than the American.

We reach the result that the American piece wages are about 50 to 60 per cent higher than ours on certain principal staple articles of earthenware, but by no means on all, and that our rates are about equal to the English rates.

As regards the statement of Mr. Burgess, in his report of December 1, 1908 (Tariff Hearings, p. 4009), to the effect that cups and saucers are made by youthful laborers in Germany, this is not correct, at least not as a general rule. Cups are now chiefly made by men, very seldom by women, and saucers are made in part by apprentices; however, this is the case chiefly in factories which produce inferior ware, and as such ware is practically never exported to the United States, this question is entirely eliminated from the argument. It is the same with the other assertion that the work of glazing is exclusively performed by youthful laborers or women in Germany. As far as we know men only are employed in the German factories on this work; to be sure they have female assistants, and perhaps in isolated cases also youthful assistants. However, similar assistants are also employed in glazing in England and the United States, as is shown on page 4006 of the report, where the wages paid to dippers' help (women) and dippers' help (boys) are given. The statement that female laborers are chiefly employed in Germany and Austria in filling the kilns, while this work is done in America entirely by men is also devoid of foundation. As regards the placing of small-sized dishes into the kilns, women are still employed in German factories because they have smaller and more skillful hands for this work, but in the case of larger articles men only are employed. It is entirely incorrect that two men are sufficient to carry the boxes in and place them in the kilns when 14 women are engaged in filling the boxes. We are reliably informed that at least five laborers are necessary in order to perform this work when 14 persons, whether male or female, are employed in filling the boxes. Inasmuch, therefore, as the wages given by Mr. Burgess for Germany are without doubt incorrect in the case of the more important staple articles of the earthenware industry, and as the other statements are also contrary to actual facts, the calculation of Mr. Burgess regarding the advantages enjoyed by the German earthenware industry as compared with the American in wages alone falls flat.

If we now turn to the alleged weekly wages in the various categories of laborers, we must again emphatically assert that these rates can likewise not be compared without careful inquiry. As was intimated above, these rates are influenced by the degree of skill of the workmen, the length of hours, and the circumstance whether or not they are employed continuously throughout the week, and what articles they have to produce; likewise the technical arrangements of the factory in which they are employed, and the internal organization and extent of the latter, the transportation facilities within the factory, and the situation of the latter are all determining factors. Owing to the variability of all these conditions these weekly wages must vary even more than the rates paid by the piece. We also find this fact to be substantiated in the statements that have been furnished to us. For instance, the average weekly wages of the earthenware turners and molders fluctuate between 24 and 42 marks, so that

almost twice as much is earned in some factories as in others. Of course there is also a great difference in the amount of work performed. The factories have informed us, in the case of the more important articles, how many articles are turned out as a maximum by a good turner, and how many are turned out on an average per day, and the data vary as follows:

	Plates.	Cups.	Saucers.	Bowls with straight legs.
Good day's work.....	400-1,200	350-1,000	500-1,000	350-900
Average day's work .....	350- 800	300- 800	450- 800	300-700

This amply explains the differences in wages observed. In individual cases higher wages are, of course, earned than those given, and molders and turners in particular receive higher wages for larger articles as well as so-called sanitary earthenware, the production of which requires special skill. This is probably the reason why the German hard stoneware industry is not in a position to compete with American industries in such things as sanitary stoneware (closets, washstands, urinals, etc.), the American ware being considerably cheaper than ours, and being even imported into Germany.

In judging a comparison of average weekly wages all these circumstances should be taken into account, and in order to do this more detailed information would be necessary regarding the factors which influence the weekly wages if one wished to make a comparison. This was not done, however, and therefore these data can likewise not be considered as valid evidence. Nevertheless we will also place our data in this case beside the American data. The average weekly wages paid in 1908 were as follows:

	According to American data (pp. 4003, 4006).		According to our inquiries in Germany.
	England.	America.	
Engine lathe turners.....	\$8.42	\$22.12	\$7.57
Hollow casters.....	5.94	14.13	8.09
Printers .....	5.82	18.75	6.56
Transferrers (girls).....	2.60	7.17	2.57
Glaziers (male) .....	9.96	22.66	7.23
Glaziers (female).....	2.66	6.00	2.96
Sagger makers.....	7.70	17.53	6.36
Mold makers (Formgiesser).....	9.12	20.16	8.22
Ordinary laborers (male) .....	6.76	19.46	5.26
Ordinary laborers (female).....	3.50	-----	3.22
Kiln men (Brenner) .....	7.20	14.40	7.85

This table again shows a noteworthy similarity and even identity between the wages earned in England and Germany, and this may serve as an additional proof that our statements are in accordance with actual facts. However, as against the rates given for America, there are considerable discrepancies, the American rates being given as twice as high and even more than ours. It would be important to ascertain whether the rates given for America are really averages and, if so, how these averages were found. If this was done in the

same way as the average weekly wages of the laborers in a factory. In a report of Mr. Burgess, were determined (p. 4003), we can by no means admit these average wages as being correct. Mr. Burgess, in order to reach the aforesaid averages, merely adds together the average earnings given in the various categories of laborers and divides the result by the number of categories. He thus leaves entirely out of account how many laborers there are in each category. That such an average must be entirely incorrect goes without saying.

In the first place we doubt whether the average of the weekly earnings was ascertained in a regular manner. We are specially strengthened in this doubt by the fact that even in the case of those categories, such as turners, throwers (former), molders, etc., which, in the comparison of the piece wages, showed a difference of only 50 to 60 per cent at the highest (and then only in a part of the staple articles under consideration), the differences in the weekly wages are so great. If we can not explain these differences by the incorrect method of ascertaining the average, then the only way to explain such large differences will be to suppose that the wages are not earned by the laborers alone but include the pay of their assistants, especially apprentices who are assigned to them, or else that the manual skill of the American laborers is much greater than ours and consequently that a larger number of articles are completed, or finally that the hours of labor are longer, whereby the same result would be obtained.

It also appears strange to us that, for instance, the weekly earnings for the turners are considerably higher than those of the pressers and also of the kiln men. Hollow casters, kiln men, molders, and engine-lathe turners receive almost equal pay in our factories, but the hollow casters and casters in no case receive less than the turners, the same being applicable to the kiln men. The same is the case in England, with the exception of the hollow casters, while considerable differences are found in America.

We are therefore justified in entertaining doubts regarding these data on American weekly wages and must energetically protest against comparisons of these wages being made in the manner in which it was done by Mr. Burgess, and then basing a demand for a higher protective tariff on these comparisons.

Moreover, we must call special attention to the fact that in the report of the American manufacturers no account is taken of the very considerable obligations which are imposed on German manufacturers by the social-political laws. In America, for instance, the employer has no obligations to provide for sick, accident, old age, and disability insurance in behalf of his employees, such a thing as a contribution on the part of the employer and to some extent on the part of the whole nation for the purpose of providing for laborers being entirely absent. The American laborer provides for himself by insuring in private life insurance companies or secret orders, associations, and funds, to which he must pay a considerable part of his wages. This amount would have to be deducted from the wages in America, or at least as much thereof as would correspond to the part paid by the manufacturers in Germany.

We have before us an interesting calculation of selling prices of goods which was made by one of our factories, and which, to be sure,

is not correct as regards all other factories, but would probably show more or less considerable differences in certain items, especially in the wages, but which will nevertheless afford an indication in judging the question as to how high a customs duty in the United States may be considered as justified, while sufficing to enable the American factories to sustain competition. The calculation is as follows:

	Per cent.
1. Salaries of officers	7.2
2. Real wages	38.4
3. Coal	10.0
4. Raw materials for earthenware and glazing	4.6
5. Other materials for saggers, plaster, painting, etc.	23.5
6. Packing and mountings	per cent
7. Price lists, traveling expenses, office expenses	5.5
8. Taxes and laborer insurance	7.8
9. Depreciation	2.0
10. Interest on capital	6.5
11. Profit	5.9
	6.5
Selling price	100.00

We have the following calculation from another well-known earthenware factory:

	Per cent.
1. Salaries of officers	6.13
2. Wages	38.46
3. Coal	10.70
4. Raw materials, etc	29.60
5. Taxes and insurance	1.93
6. Depreciation	6.20
7. Interest	3.48
8. Profit	3.50
Selling price	100.00

The agreement between the two calculations can not help being recognized. If we now ask to what extent the American manufacturer labors under more unfavorable conditions, we shall see that in the first place the salaries of officers in the pottery works are lower than in Germany. This is clearly shown in a statement given on page 4006 of the Tariff Hearings. There the salary for a bookkeeper is given as about \$936 (3,900 marks); for an office clerk, \$520 (about 2,100 marks); for younger office help, \$208 (900 marks); for engineers in the factory, \$936 (3,900 marks); for managers, \$1,300 (5,400 marks); all these being salaries which average considerably higher in our country. We admit that they pay more for wages, but we are convinced that on an average they do not pay over one-half more than our wages. They do not by any means pay twice as much in wages as we do, but we will assume that their wages are twice as high as ours without admitting that this is actually the case. In the matter of coal the American factories, as shown above, realize a saving of 5 per cent, and our expenditures for raw materials and other substances are at least equal to those of the Americans, according to our statements above; items 6 and 7 will hardly show any differences, item 8 can hardly be regarded as a factor in America since there are no expenditures for laborer insurance, so that these expenditures would have to be added to our rates of wages. Items 9, 10, and 11 may be considered as equal in the two countries. The calculation for the American factories would then be as follows:  $100.00 + 38.4 - 5.0 - 2.0 = 131.4$ .

From this should be deducted the freight to America, the packing duty, and the cost of authentication so that a duty of 25 per cent at the highest would be justified.

In Volume III of the Transactions of the American Ceramic Society we find a similar calculation (except that the interest on the capital invested, depreciation, and the profit are eliminated), according to which the expenses of the manufacturer of china ware are divided as follows:

	Per cent.
Cost of labor -----	70.77
Cost of materials-----	21.31
Management and miscellaneous-----	7.92
	<hr/>
	100.00

Let us also leave out items 9, 10, and 11 in our first example cited above, and by grouping items 1, 7, and 8 together under management, etc., and 3, 4, 5, and 6 as cost of materials, we shall have the following distribution:

	Per cent.
Cost of labor -----	47.3
Cost of materials-----	31.7
Management -----	21.0
	<hr/>
	100.0

Supposing now that the cost of materials, etc., is the same in Germany as in America, the expenses of management, etc., would also be as high as the American rate (in fact they are higher in Germany for both items), and let us take the above rate of wages of 47.3 per cent and then the selling price in Germany would be  $47.3 + 21.31 + 7.92 = 76.53$  as against 100 in America; the selling price would thus be again about 31 per cent higher in America than in Germany, and we come to the same result as before, this being all the more remarkable for the reason that this result is based on data from an American source, although to be sure the source is a different one than that from which Mr. Burgess obtained his data.

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However, in another table Mr. Burgess himself gives the following data regarding the total cost of production in an earthenware factory (p. 4008) :

	Amount.	Per cent.
Labor.....	\$58,912.28	52.00
Material and fuel.....	42,996.00	37.96
Interest.....	9,430.00	
Insurance.....	1,500.00	
Taxes.....	1,450.00	
Gas and water.....	975.00	
Total .....	113,263.38	100.00

This table does not differ specially from ours, which also tends to prove the incorrectness of the statements made regarding costs.

We can not help emphatically stating here again that the inquiries made in a most questionable manner by Mr. Burgess during his

visits are contrary to good morals and can lay no claim to credibility. As far as that is concerned, this view is also held by competent authorities in the United States, for in the proceedings against the firm of Haviland & Co., of Limoges, the American general appraiser, Mr. Waite, admitted himself in his decision that the value of the statements of Burgess and associates must be regarded as doubtful. To use his own words, "(It) is in my judgment somewhat discredited, owing to the roundabout and secret method pursued in obtaining it."

BERLIN, January 19, 1909.

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We hereby declare under oath that the following figures represent the true average weekly wages paid in the German china-ware factories located in different parts of the country:

	Marks.
Turners -----	31.75
Burners -----	30.25
Day laborers -----	19.62
Assorters -----	18.65

These wages are increased by at least 2 per cent for government payments rendered necessary by the social laws.

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We hereby declare under oath that the following figures represent the average wages paid to turners working on the various articles paid for per hundred in the German china-ware factories located in various parts of the country:

Thick hotel dishes:

Plates—	Marks
15 centimeters-----	per 100-- 1.02
17 centimeters-----	do---- 1.13
19 centimeters-----	do---- 1.30
21 centimeters-----	do---- 1.81
23 centimeters-----	do---- 1.96
24 centimeters-----	do---- 2.24
Cups, coffee -----	do---- 2.86
Cups, tea -----	do---- 2.82

These wages are increased by at least 2 per cent for government payments necessitated by the social laws.

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We hereby declare under oath that the following figures represent the average weekly work performed in German china-ware factories situated in various parts of the country:

Dishes:

13, 14, and 15 centimeters-----	4, 585
16 centimeters-----	3, 165

Plates:

15 centimeters-----	4, 800
17 centimeters-----	4, 430
19 centimeters-----	4, 365
21 centimeters-----	3, 950
23 centimeters-----	2, 700

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We hereby declare under oath that the following figures represent the average wages paid to turners working on the various articles paid for by the hundred in German chinaware factories located in various parts of the country:

*Smooth ware.*

	Marks.
Dishes:	
13, 14, and 15 centimeters	per 100 0.77
16 centimeters	do .90
Plates:	
15 centimeters	do .88
17 centimeters	do 1.01
19 centimeters	do 1.23
21 centimeters	do 1.60
23 centimeters	do 1.91
24 centimeters	do 2.29
Cups, coffee, medium thickness	do 1.95
Cups, tea, medium thickness	do 1.88
Cups, coffee, thin	do 2.96
Cups, tea	do 2.86

Flowered ware (Feston) costs somewhat more in some cases.

These wages are increased by at least 2 per cent owing to payments to the Government rendered necessary by the social laws.

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We hereby declare under oath that the following prices of raw materials are the true cost prices to the chinaware factories in Germany, according to their geographical situation:

	Marks per 1,000 kilograms.
China clay	60.10-67.50
Quartz	8.00-49.70
Feldspar	35.00-61.95
Sagger marl	8.00-13.60
Sand	8.00-11.50
Coal	13.00-25.20

The great difference of price in quartz is explained by the fact that certain factories employ quartz sand which they find in pits of their own near their factories, while other factories use only Norwegian quartz in lumps, which even at the place where found is considerably dearer and which is rendered still higher in price by the high freight charges and the cost of grinding.

The difference in prices of feldspar and coal, etc., is also explainable by the different source and quality of the material and the geographical situation of the factories.

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## GLASS BOTTLES.

[Pamphlet 15, p. 1723; pamphlet 48, pp. 72-73.]

The correctness of the statements regarding the cost of production of glass bottles, which is said to be \$3.55 or \$3.10 in the United States and only \$1.70 in Germany, is disputed by the German interested parties. From one quarter the statement is made that the cost of producing one gross of glass bottles in Germany is 8.80 marks at the present time. From another quarter the following statement is made

in refutation of the statements made regarding the cost of production in the United States:

The Owens Company, of Toledo, United States of America, which is the owner of the patents on the Owens bottle-blowing machines, has given an exact account of the cost of production of bottles in a prospectus in which it advertises the sale of the patents. In this prospectus a comparison is made between the bottles made by hand and those produced by machinery. It declares that 1 gross of hand-made bottles costs \$2.72 and 1 gross of machine-made bottles \$1.16. As the Owens Company, or the closely allied Toledo Glass Company, is a producer of bottles itself, it is naturally greatly in its interest to represent the cost of hand-made bottles as being very high, so that the price of \$2.72 is no doubt the highest that can be given, generally speaking. This fact will serve as well as anything to show the amount of reliance to be placed on the Americans' statement that the cost amounts to \$3.10 per gross. Moreover, the production of bottles by machinery has come very rapidly into vogue in America, and bottles manufactured in this manner cost only \$1.16 per gross, or \$1 less than the presents duty amounts to.

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— — — — —. The cost of producing glass bottles in Germany is \$2.09, and not \$1.70, per gross, as claimed before the committee. The Owens Bottle Company, of Toledo, interested in the manufacture of machine-made bottles, states that the cost of hand-made bottles is \$2.72 per gross, while the cost of machine-made bottles is \$1.16, while the figures presented before the committee were \$3.10 to \$3.55.

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— — — — — reports as follows regarding pamphlet 48, page 7213, in addition to his previous statements:

The Headley Glass Company, Danville, Ill., states among other things that the earnings of an American glass blower amount to \$6 to \$10 a day, while German glass blowers earn \$0.60 to \$1 per day. These statements are, in our opinion, incorrect. The figures given as representing the earnings of American bottle makers are in direct contradiction to the statements of the Americans themselves concerning the cost of bottles. According to the declarations of Mr. Agard (document No. 15 of the Tariff Hearings, p. 1724), the cost of pint and quart bottles amounts on an average to \$1.83 a gross, including labor, salaries, and blowing.

If we remember that a laborer does not make more than 2 or 3 gross of these bottles per day on an average, and furthermore that, as we have proven before, the statements regarding the cost of production are also estimated too high, it will be shown clearly without further examination how greatly exaggerated are the statements of the Headley Glass Company regarding the wages earned by a glass blower in America. On the other hand, the data regarding the earnings of German bottle makers are too low, as we are informed by the bottle works which we represent. Then again it must be considered, in comparing costs of production, what great expenditures the Ger-

man bottle manufacturers have to make for relief institutions, such as sick, accident, disability, and old age insurance, laborers' dwellings, etc., these being burdens which do not have to be borne by American manufacturers.

#### GAS RETORTS AND SETTINGS.

The following has been reported to the chamber of commerce of Stettin in relation to pamphlets 28, 30, and 40, pages 3922, 4285, and 5923:

The grounds alleged by the American factories for their petition to increase the duties on retorts and fancy settings are not in accordance with the actual facts. Moreover, the importation of these articles into the United States has been so slight that absolutely no injury has resulted therefrom to the United States, especially in view of the fact that the only retorts and settings imported from Germany are such as were not and could not be manufactured in the United States. The majority of the fireproof materials required by the factories in America are furnished by themselves and only small parts come from abroad, so that a change in the customs duties does not seem necessary; on the contrary, a reduction ought to be made, in order to afford the consumers in the United States an opportunity to avail themselves of the advantages of the improved appliances of foreign countries.

The statements made by the manufacturers regarding the cost of production are not correct. The German exporting firms obtain part of their raw materials from abroad and part from remote regions in Germany and have to pay much higher prices for the raw materials than the American factories, which, as they themselves state, have their own clay deposits. It is absolutely impossible to employ women in making the articles which are exported to America; on the contrary, the workmen who produce these articles earn (in our factories) 5 to 6 marks a day.

Moreover, the expenses for coal here in Germany are much heavier than in America, and many of the American factories have the great advantage of water communications, in consequence of which they have very cheap freight rates from the place of manufacture to the place to which the goods are shipped.

The statement of the American manufacturers that the clay is taken here directly from the surface of the ground and that the clay diggers receive only 30 cents a day is entirely unfounded. The contrary is the case. In the very extensive clay district near Halle on the Saale the clay is mined by means of subterranean galleries. To be sure the Silesian deposits are worked open, but unusually large quantities of earth have to be removed, and it is practically impossible to find laborers in Germany at present for 50 cents a day.

Furthermore, it is absolutely incorrect to say that the goods are transported to America as ballast. In the first place, the quantities exported are much too small to be used as ballast for either steamers or sailing vessels, and in the second place no steamship company thinks to-day of carrying our goods at about 50 per cent cheaper rates, as the American manufacturers state. An inquiry of the steamship companies in question would reveal the fact that the freight on fireproof bricks and retorts is not only not cheaper than on other articles,

but that on the contrary they are considered as "bulky goods." In the case of retorts there is also the extraordinarily great risk of breakage which must be borne by the shipper—that is, the supplier—so that the importers are in a much more unfavorable position than the American manufacturers.

The duty of \$3 per retort is perfectly commensurate with existing conditions, and, in view of the insignificance of the article, there is no reason for making any change in this rate; on the other hand, there are good grounds for fixing the maximum import duty on retort settings over 10 pounds in weight (so-called "mold bricks") at 25 per cent ad valorem. Even then there will still be so few imported that the American manufacturers will experience no disadvantage therefrom; on the contrary, by affording American consumers an opportunity to become acquainted with the new arrangements and improved apparatus the American manufacturers will derive the advantage of being able to utilize these improvements themselves, as the consumers will at all events buy these imported apparatus in America later on, when they are no longer protected by patents.

It is true and it is not denied that the American articles are equal to those of foreign countries in quality, but, as said before, the question is one chiefly regarding new devices, as far as the imports are concerned, and these imports are so insignificant that there is no excuse for an increase in duty.

#### OPTICAL INDUSTRY.

The Chamber of Commerce of Weimar reports as follows regarding pamphlet 15, page 1735, and pamphlet 47, page 6872:

— — — — — criticises the statements regarding the wages paid in the optical industry. It writes:

"We wish to state expressly that conditions with us can not serve as a criterion for the whole optical industry of Germany. Just as is the case in America, the rate of wages with us also varies according to whether the goods are of ordinary quality or made with mathematical accuracy, and also according to whether they are manufactured in the country, in small towns, or in large cities. We ourselves manufacture only instruments of precision (microscopes, microphotographic apparatus, prismatic telescopes, photographic cameras and objectives, and optical measuring instruments). Any first-class optician will be able to give information as to the quality of our goods. We dare say that as a general rule our German colleagues engaged in the manufacture of these articles pay the same wages as ourselves. German workmen have the advantage of government old age and disability insurance. In our case there is the additional advantage of the old-age (pension) insurance maintained by the firm and the indemnity granted to employees discharged through no fault of their own. According to the very carefully prepared statistics which we publish from time to time, the average wages of all our employees (trained and untrained) who are at least 24 years old and have worked at least three years for us, amount in round numbers to 40 marks, or \$10 a week. Of course we have persons who earn only from \$7 to \$8 a week, but also others who receive an average of \$15 a week and more. Owing to the frequent transfers of laborers from one workshop to another, we know that these wages are the same as those paid by our neighboring German competitors.

"We guarantee the correctness of these figures, though they show that the statements of several American manufacturers, to the effect that two or three times higher wages are paid in America in this industry than in Germany, are based on insufficient information."

The \_\_\_\_\_ reports as follows regarding pamphlet 17, pages 2049-2051, and pamphlet 22, pages 2959-2960:

1. It is untrue that undervaluations occur in the invoices regarding enamel ware exported to America, for the purpose of paying less customs duties than prescribed by the American tariff law.

2. It is untrue that good ware is declared as second-class ware with a less invoice value in order to secure advantages in the customs payments.

The \_\_\_\_\_, to which the vast majority of all enamel ware exported belongs, is ready to furnish any proof desired to the effect that the invoicing of ware sold to America is strictly done to its full value according to the laws in force, and that the only ware invoiced as second class is that which is really low-grade ware; also that the shipments of this low-grade ware constitute but a small per cent of the ware exported to America.

3. It is untrue that the importations of German enamel ware have restricted the development of the United States enameled-ware industry. On the contrary, the enameled goods industry in the United States has been steadily developing from year to year, has been highly capitalized and always been successful, and produces and sells quantities of goods to which the imported goods bear but an infinitesimally small relation.

4. The building of an American importer mentioned in the Tariff Hearings relates to a small enamel ware factory near Dresden of very slight importance. In the interests of the German enamel-ware manufacturers themselves care is taken that shipments from this little factory to North America are not invoiced and declared at lower prices than the market values which govern in accordance with the law.

5. It is untrue that the wages paid in the United States are so much higher than those paid by the German enamel-ware manufacturers. The majority of the German enamel-ware manufacturers pay about the same wages for expert workmen in this industry as are paid by the American manufacturers to American workmen.

6. The ware designated in pamphlet 22, page 2950, as "Elite enamel ware" and other brands do not come from Germany, but from Austria-Hungary.

7. It is untrue that the correct market value of enamel ware manufactured in Germany can not be ascertained because 90 per cent of the enamel ware produced in Germany is exported. The exports of the German enamel-ware industry are only about 40 per cent of the German enamel-ware productions in general. The remaining 60 per cent remains in Germany.

As many million dollars are involved in the sales of this ware, the correct market value of that remaining in Germany is easily ascertained. It can be proven without difficulty that the ware exported to the United States is not exported, invoiced, and declared before the

American customs authorities at any cheaper rate than the actual German market value.

8. It is untrue that the American customs law is evaded by having part of the goods exported to America in an unfinished state.

#### SCHEDULE C.—METALS, ETC.

##### GOLD LEAF.

[Pamphlet 17, p. 2051.]

The following communication has been received by the Chamber of Commerce of Nuremberg from a manufacturer of gold leaf:

I have read the declarations of Mr. Hastings before the Committee on Ways and Means with great interest. In my opinion they are partial throughout and far from being to the point and in accordance with facts. First of all, I must say that the protective duty of \$1.75 per package as provided in the Dingley tariff has entirely fulfilled its purpose as a protective duty. It has also operated in another way which was probably not intended, namely, it has kept the American gold-leaf industry in the position occupied by the same industry in Germany about sixty years ago at the time of the "guilds." Meantime considerable changes have been made in the process of manufacture, which have resulted in material increases in the wages of the workmen. These changes consist in the distribution of work, the sharing of the workmen in the saving of raw gold by thinner beating, etc. The earning of a workman here in Germany, working forty-eight hours a week, is from 50 to 80 marks per week, and of youthful assistants from 25 to 30 marks per week. These are the correct figures. To be sure, a man and a girl make more than 9 packs (of 500 sheets each) per week in consequence of the distribution of labor and other practical arrangements. However, all these advantages in the German method of manufacture as compared with the American would not have sufficed to offset the effect of the American duty of \$1.75. The imports from Germany are only a result of the circumstance that the American gold-leaf industry was not able to meet the increased demand for gold leaf in America during the good business years from 1904 to 1907. It was only for this reason that they turned to Germany, and the latter country filled the lacking supply. The strikes on the part of the gold beaters were responsible for the large amount of imports into America, which were 20,000 packages in 1902, 35,849 in 1903, and \$167,000 worth in 1907. At the end of 1902 and the beginning of 1903 the American gold beaters had a strike lasting twelve weeks, and in 1906 to the beginning of 1907 there was another strike of about ten weeks. This explains the increased imports of these years, and Mr. Hastings might have told the chairman this if he had wished, or if he had been asked.

##### BRONZE POWDER.

[Pamphlet 17, p. 2035.]

The following statement has been made to the Chamber of Commerce of Nuremberg:

The request of the American Bronze Powder Manufacturing Company that the duty on bronze powder be raised from 12 cents to 15

cents is wholly unwarranted. The request for an increase of duty is based by the aforementioned firm on alleged lower wages in Germany. We show herein that the difference in the wages results in so insignificant a difference in the price of the finished product as to take away all justification for an increase of duty.

A bronze worker stamps in one week 150 to 200 kilos and receives in wages an average of 20 marks per week, which makes 10 to 13 pfennig per kilo, or  $4\frac{1}{2}$  to 6 pfennig per English pound; therefore, on an average,  $5\frac{1}{2}$  pfennig per pound. A polisher finishes per week 5,000 to 6,000 kilos at an average of 20 marks wages per week. This gives, per kilo,  $3\frac{1}{2}$  to 4 pfennig, or about  $1\frac{1}{2}$  pfennig per pound English. Therefore the average wages for the output of bronze colors in Germany amount to about 7 pfennig per English pound. Admitting that wages in the United States are twice as high as in Germany, they would amount to 14 pfennig per English pound, which gives an excess of less than 2 cents per pound. American manufacturers have, therefore, in their present tariff an advantage of 10 cents per pound over the German manufacturer and the American Bronze Powder Manufacturing Company wants to have this advantage raised to 13 cents.

There are at present in the United States four or five firms that produce (bronze colors), and by careful estimate employ at the most 100 persons altogether. In the interest of these 100 persons the price of bronze colors is now to be raised for the American consumer.

The high duty finally might yet be justified if the American manufacturers sold their products for as much less as they save there in the (cost of) production. As we figured it out above, this saving amounts to about 10 cents per English pound. The consumers, however, derive no benefit whatever therefrom, since the American manufacturers sell almost precisely at the same price as their German competitors, or at a reduction only just sufficient to render competition by German manufacturers impossible. The tariff protection, therefore, does not benefit the American consumer, but flows into the pockets of some four or five manufacturers.

#### PIG IRON.

The Chamber of Commerce of Düsseldorf reports as follows on the price of German foundry pig iron:

The price of \$13.36 per ton of German foundry pig iron, free Rheinhäfen, as given in pamphlet 17, page 1917, is much too high. Rhenish-Westfalian foundry pig iron No. 1, which is the product here referred to, cost at the time of these hearings (November, 1908) about 65.50 marks, and on an average during 1907 about 76 marks. The price as given by the Americans is therefore 12 marks too low in one case and 22.50 marks too low in the other, so that the conclusions drawn therefrom are also wrong.

#### STATISTICS REGARDING LABORERS AND WAGES IN THE PFORZHEIM GOLD AND SILVER WARE INDUSTRY.

As was done for 1896 and 1900, the directors of section 3 of the South German Association of workers in precious and ordinary

metals (headquarters at Pforzheim) has also had prepared for 1903 a set of statistics regarding laborers and wages in the Pforzheim gold and silver ware industry, the source from which the statistics were compiled being the pay rolls. On these rolls every laborer, even though he was employed only one day, is mentioned, together with the amount of his wages, so that these data must be regarded as the most reliable basis for the preparation of wage statistics.

The statistics, which were prepared with the most painstaking accuracy and doubly verified, cover the entire Pforzheim precious or ordinary metal industry, including both ornamental articles and larger ones (articles of use, table utensils, etc.). They include not only the factories in which the articles are manufactured ready for use, but also those in which the metals employed are prepared, as, for instance, artificial jewel factories, and also those which produce half-manufactured articles (jewel settings, "chatons" and "galleries"), and also those which only perform single operations necessary in the manufacture, such as pressing works, gilding works, etc., and, finally, also the "separating shops" (Scheideanstalten). The laborers in all the factories were classified under ten heads on special sheets. A more detailed classification would have rendered it difficult to gain a general view of the situation. Therefore persons employed in some other manner were included under the head showing the same rates of wages, and these persons are not very numerous. Accordingly the following classifications were made: Heading 1, jewelers, chain makers, pressers, silversmiths, artificial jewel makers, wire drawers, safety hook makers (*Karabinermacher*), tula-work decorators, nurlers; heading 2, jewel setters only; heading 3, engravers, designers, enamels, Guilloche designers, chiselers; heading 4, mechanical workmen only; heading 5, male assistants, errand boys, smelters, stokers, carters (the latter in "separating shops"); heading 6, polishers only; heading 7, chain makers, bead pressers, enamels, burnishers, jewel setters, gilders, etc. (all female); heading 8, female assistants, errand girls, seamstresses, and laundresses in "Scheideanstalten"; heading 9, male apprentices of all the various trades; heading 10, female apprentices of all the various trades.

As was stated before, every worker is included on the pay rolls, even though he was employed but a short time. Inasmuch as it is very common for workmen to exchange places in our factories, it frequently occurs that the same workman appears on several rolls, so that the whole number of workers included in the rolls would be too great. The association takes as a basis the number of "full-time workmen," which is obtained by adding together the workdays of all workmen in each industry and dividing the sum by 300. However, even this number may not represent the actual facts, for it is hardly likely that an average of more than two hundred and seventy working days in a year can be calculated on per person, if all delays caused by transfers, occasional interruptions of work, days of sickness, etc., are considered. If we proceed on this basis, we shall have the following results:

	1896.	1900.	1908.
The number of workdays in all industries .....	3,588,594	4,374,312	4,681,535
The number divided by 270, number of laborers employed.....	13,291	16,201	17,339

It must be emphatically stated in this connection that the foremen, here called "Kabinettsmeister," are not included among the workmen. At the end of this publication a compilation of all industrial workers in the Pforzheim gold and silver ware industry will be given.

*Number of laborers contained in the pay rolls in the various categories, and their average daily earnings.*

A. MALE WORKERS.

	1896.		1900.		1903.	
	Number.	Daily earnings.	Number.	Daily earnings.	Number.	Daily earnings.
1. Jewelers, chain makers, and pressers.	7,574	Marks. 2.24	9,071	Marks. 3.90	9,909	Marks. 4.04
2. Jewel setters and jewelers .....	940	4.15	1,079	4.66	1,509	5.02
3. Engravers.....	650	4.09	738	5.07	763	5.42
4. Mechanical workers .....	109	4.21	203	4.71	264	4.87
5. Assistants .....	679	2.67	832	2.78	989	3.18

Perecentage of increase of pay as against 1896: (1) Jewelers, chain makers, and pressers, 24.7; (2) jewel setters and jewelers, 20.9; (3) engravers, 32.5; (4) mechanical workers, 15.7; (5) assistants, 19.1.

B. FEMALE WORKERS.

	1896.		1900.		1903.	
	Number.	Daily earnings.	Number.	Daily earnings.	Number.	Daily earnings.
6. Polishers .....	3,541	Marks. 1.95	3,869	Marks. 2.38	3,867	Marks. 2.48
7. Chain makers (female).....	1,045	1.98	2,343	2.30	2,852	2.49
8. Female assistants .....	153	1.69	319	1.83	557	2.08

Perecentage of increase of pay as against 1896: (6) Polishers (female), 27.2; (7) chain makers (female), 25.7; (8) female assistants, 23.1.

C. APPRENTICES.

	1896.		1900.		1903.	
	Number.	Daily earnings.	Number.	Daily earnings.	Number.	Daily earnings.
9. Apprentices (male) .....	2,458	Marks. 0.93	2,667	Marks. 1.08	2,747	Marks. 1.13
10. Apprentice girls.....	1,194	.77	1,361	.95	1,410	.98

Perecentage of increase of pay as against 1896: (9) Apprentices, 21.5; (10) apprentice girls, 27.3.

Of the adult male workers, gold and silver workers, engravers, jewel setters, pressers, mechanical workers, and assistant laborers earned the following daily wages:

	Number of workmen.		
	1896.	1900.	1903.
Up to 2.70 marks.....	1,317	1,128	292
From 2.71 to 3.20 marks.....	2,484	1,552	478
From 3.21 to 3.50 marks.....	2,767	1,428	739
From 3.51 to 4 marks.....	2,143	2,902	4,181
From 4.01 to 4.50 marks.....	693	2,201	4,051
From 4.51 to 5 marks.....	548	2,712	2,192
5.01 marks and above .....			1,492

This shows that during the years from 1896 to 1903 an exceedingly large number of workmen were transferred to categories receiving considerably higher wages.

The number given as working in the two lowest categories consists mostly of youthful workers who have finished their apprenticeship but a short time before.

*Number of factories and the average number of full-time workers employed therein.*

[Regarding the term "full-time worker," see above.]

Factories with—	1896.	1900.	1903.
	Number.	Number.	Number.
1 to 10 workmen.....	196	166	160
11 to 20 workmen.....	134	115	121
21 to 30 workmen.....	67	76	67
31 to 40 workmen.....	36	44	54
41 to 50 workmen.....	22	26	30
51 to 60 workmen.....	9	15	12
61 to 70 workmen.....	9	6	9
71 to 80 workmen.....	7	12	11
81 to 90 workmen.....	4	6	12
91 to 100 workmen.....	2	5	4
101 to 120 workmen.....	9	8	8
121 to 150 workmen.....	4	1	4
151 to 180 workmen.....	3	4	1
181 to 210 workmen.....	2	4	3
221 to 240 workmen.....	0	2	2
241 to 300 workmen.....	1	2	2
301 to 340 workmen.....	0	2	2
341 to 365 workmen.....	0	0	1
352 workmen .....	0	0	1
Total.....	505	494	504

In 1900 there was a diminution of 11 as against 1896, while in 1903 the number shown for 1896 was again approximately reached (1 factory less).

The number of full-time workers was 11,962 in 1896, 14,581 in 1900, and 15,605 in 1903. There were thus an average of 23 to 24 employed per factory in 1896, 29 to 30 in 1900, and 30 to 31 in 1903.

As above stated, the number of laborers (Kabinettsmeister excepted) employed in the Pforzheim gold and silverware industry in 1903 was 17,339. It might now be of great interest to learn the total number of persons employed in the Pforzheim gold and silverware

industry and the enterprises connected therewith. We will first give a synoptical table of the number of independent auxiliary enterprises present here in 1903 (according to the Pforzheim directory), as well as of the persons employed therein (according to the estimate of the section foreman), whereupon we will give the total numbers of employees.

*Auxiliary enterprises connected with the Pforzheim gold and silverware industry in 1903.*

	Number of factories.	Persons employed.
Brush factories .....	19	50
"Brisur" factories .....	3	10
Cardboard work and labels .....	10	50
Cementers .....	7	10
Enamelers .....	53	150
"Dusting" establishments (Entstäubungsanstalten) .....	1	1
Instrument cases and mountings .....	4	20
Instrument-case pressing works .....	2	5
Instrument-case and goods-box factories .....	21	300
Gold painters .....	3	10
Engravers .....	82	160
Guilloche designers .....	3	10
Jewelers .....	6	180
Cement factories .....	4	10
Modelers .....	5	5
Inlayers with black enamel (niello) .....	3	5
Stove factories .....	4	40
Pressing works .....	21	40
Stone drillers .....	3	3
Stone polishers .....	8	20
Gilders .....	20	80
Designers .....	14	14
Maechine shops .....	51	500
"Draw-iron" factories .....	5	10
Money-box factories .....	3	15
Total .....	395	1,698

*Compilation of the persons employed in the Pforzheim gold and silverware industry and in the business enterprises connected therewith.*

[According to estimate of the section foreman.]

Persons employed in auxiliary enterprises .....	1,698
Number of manufacturers .....	750
Number of foremen (Kabinettsmeister) .....	300
Persons employed at home .....	1,500
Office employees in the jewelry industry .....	2,000
Wholesale establishments and their employees .....	250
Stone dealers and their employees .....	200
Banks and their employees .....	70
	6,768
Added to this, industrial laborers in 1903 according to the above statistics .....	17,339
Total .....	24,107

RAZORS.

The following is reported to the Chamber of Commerce of Solingen:

On page 4318 of pamphlet 30 of the Tariff Hearings there is a comparative table of the weekly earnings of German and American laborers employed in the razor industry. The wages paid in Germany are given much too low, so that we deem it necessary to correct them.

In Appendix I the actual average weekly earnings of the various categories of laborers are given according to reliable calculations of several firms specially engaged in exporting to the United States. The incorrect American data are given beside them.

*Average weekly earnings of German razor workers.*

Categories of laborers.	Data given by the Chamber of Commerce at Solingen.		Incorrect data given in the Tariff Hearings.
	Amount.	United States equivalent.	
Forgers.....	Marks. 35-45	\$8.33-\$10.71	\$4.30-\$7.00
Hardeners.....	42-48	10.00- 11.43	4.30- 6.00
Dry grinders.....			4.30- 5.70
Coucavers.....	65-75	15.47- 17.85	4.30- 9.00
Polishers.....			4.30- 5.70
Handle makers.....	40-44	9.52- 10.47	4.30- 5.00
Honers.....	40-45	9.52- 10.71	2.50- 6.00

GOLD LEAF.

In answer to pamphlet 30, page 4227, the Chamber of Commerce of Dresden reproduces the following statement of a manufacturer:

The comparison between American and German conditions of production are absolutely erroneous, especially with regard to wages. There are no girls working for 3 marks a week in the Dresden gold-beating industry. At Dresden a female laborer earns at least 12 marks, on an average 15 to 16 marks, and especially good workers 18 marks a week. A beater of pure gold receives an average of 30 to 35 marks a week. Gold beaters earning 25 marks a week are very poor workmen. The statements regarding the part which the wages represent in the cost of production, page 4230, are very misleading, because the amount of work performed by a laborer in a week is greatly underestimated.

The statement on page 4231 that German gold leaf is beaten thinner than American and can therefore be offered cheaper is incorrect. The United States is the very place where gold leaf is beaten very thin, for which reason very thin gold leaf is required when purchases are made from Germany. Likewise incorrect is the remark on page 4232 et seq. to the effect that German gold beaters send larger-sized sheets to the United States in order to save duty, the American duty being calculated only according to packages. The report itself states that the value of the imported goods has considerably decreased, but at the same time also that the principal part of the cost of production is in the raw material itself. Inasmuch as considerably larger quantities of raw material are required when the sizes of sheets are considerably larger, the prices must not have fallen, but risen.

WATCHES.

[Pamphlet 30, p. 3301.]

The following report is made to the Chamber of Commerce of Rottweil:

The rural customs of cheap domestic industry which the Americans seem still to have in view have long since become a thing of the

past and only the best equipped watch factories, with large capital, can enter into the struggle at all. Moreover, the times when, according to the Americans, laborers worked eleven hours a day are long past, and if we take into account the noon recess, the stoppage at 5 o'clock on Saturday, and the cessation of work in the evening owing to the absence of many workmen as early as ten minutes before 6 o'clock, there remains barely nine and one-half hours at best. Moreover, the Americans are more or less exempt from the social burdens and other taxes and contributions which we have to bear.

I do not deny that there may be a slight difference in wages, but if it is taken into consideration that humane conditions still prevail here; that is, that in view of the personal relations of the manufacturer with the individual, we employ our workmen even in bad times, and especially that we employ the aged laborers, even though they be unable to perform the same amount of work, in such a manner that they may continue to receive their usual wages, the difference is probably made up by these circumstances.

#### JEWELRY.

The Chamber of Commerce of Pforzheim regarding pamphlet 21, page 277:

It is admitted that the American wages are higher than the German, but the correctness of the statement that German wages are only half as high is disputed. According to an inquiry now being made, and the result of which will be published during the course of this year, regarding the Pforzheim precious-metal industry in 1906 (the corresponding data for previous years are contained in the printed inclosure), the following average daily wages are paid to male employees, according to their qualifications and their particular trade: Jewelers, 4.48 marks; bracelet makers, 4.79 marks; mounters, 5.57 marks; makers of mountings, 5.30 marks; modelers and makers of models, 5.45 marks; master cabinet workers (*Kabinettmeister*), 7.82 marks; makers of jewelry boxes, 5.24 marks; solderers, 5.73 marks; designers, 8.81 marks; technicians, 8.72 marks; steel engravers, 6.15 marks; setters of jewels, 5.38 marks; silversmiths, 4.47 marks; makers of artificial stones (*Doublemacher*), 4.98 marks; enamel painters, 7.05 marks, etc.

Female employees received, for instance, the following average daily wages: Polishers, 2.76 marks; chain makers, 2.74 marks; oxidizers, 2.93 marks; gilders, 3.09 marks; silverers, 2.95 marks; jewel setters, 4.39 marks; brushers, 2.43 marks; enamelers, 2.82 marks.

Attention must be particularly called to the fact that these data indicate the average wages for all persons belonging to one trade. The various degrees of talent, skill, and qualifications of different individuals are therefore not shown in these wages, which are greatly exceeded by those paid for specially proficient workers.

All professions, learned, unlearned, and mechanical, being reckoned together, the average daily wages paid in the Pforzheim precious-metal industry in 1906 for adult male workers was 4.75 marks and for female workers 2.70 marks.

Furthermore, the correctness of the statement is disputed that one-third of the cost of production of a piece of jewelry made of gold is in the value of the material and two-thirds in the wages paid. The

proportion is quite different, according to the article and the value of the material used.

In conclusion, it is remarked that the American jewelry industry copies German models and not vice versa.

#### SILVERWARE.

[Pamphlet 30, p. 4323; pamphlet 32, p. 4728.]

The Chamber of Commerce of Heidenheim has received the following report:

When the Americans assert that they pay their workmen in the silverware industry 4 to 6 times as high wages as are paid in Germany, this is simply not true.

The following wages are paid in Germany:

	Marks.
Founders	5.30
Pressers	8.00
Laborers	6.80
Chiselers	6.50
Solderers	6.80
Punchers	6.00
Steel engravers	8.00
Engravers	7.00
Hammer workers	8.60
Polishers	4.50
Average	6.70

The following has been reported to the Chamber of Commerce of Heilbronn:

The remark contained in pamphlet 30 regarding the ratio of American to German wages is not at all in accordance with facts.

If a comparison is made between American wages and those paid in Germany for the same work, it will be found that in many cases the German wages are equal to the American and that only in a few cases the American wages are from  $1\frac{1}{2}$  to 2 times as high as the German, but not 3.4 or 6 times as high.

For instance, we pay a turner from 11 to 11.50 marks and the Americans 11 marks a day; a plate beater receives 9 marks here and 9 marks in America per day; an engraver 8 marks here and 12 in America; and a chiseler 6.25 marks here and 13 marks in America.

It must further be taken into consideration that about half the amount on which duty is levied is in the metal itself, and as silver is much cheaper in America than in Germany, there is so much less reason for basing the protective duty also on the value of silver.

#### SNAP FASTENERS (PRESS BUTTONS).

The Chamber of Commerce of Stolberg, Rhineland, has received the following report relating to pamphlet 30, page 4324:

Although the comparison made by the American firm, United States Fastener Company, of Boston, regarding snap fasteners may be recognized at first glance as partial and designed only for the layman who is unable to draw the correct conclusions from it, we will nevertheless examine the matter more closely, and will state first that the press button in question is a kind which is turned out ready to use by machinery, so that the only real hand labor to be taken into consideration is the silvering, lacquering, and packing.

For the sake of greater clearness in the comparison we will first consider the amount of wages paid to the mechanical force turning out a yearly production of 2,000,000 gross, as shown in the following table:

*Production per day, and wages.*

	Hours.	United States.		Germany.	
		Wages. per month.	Wages per day.	Wages per month.	Wages per day.
Master workman.....	10	\$106	\$3.53	200	6.66
Overseer.....	10	69	2.30	150	5.00
Master workwoman.....	10	58	1.83	75	2.50

*Pay per hour.*

	Hours.	United States.		Germany.	
		Rate.	Total.	Rate.	Total.
Turner.....	4	\$0.50	\$2.00	0.60	2.40
Electrician.....	2	.30	.60	.50	1.00
Die sinker.....	70	.20	14.00	.60	42.00
Tool maker.....	10	.35	3.50	.70	7.00
Blancher.....	25	.275	6.87	.40	10.00
Lacquerer.....	36	.275	9.90	.55	19.80
Packer.....	30	.275	8.25	.37	11.10
Ordinary laborer (female).....	70	.10	7.00	.70	49.00
Ordinary laborer (male).....	70	.20	14.00	.25	17.50
Woman fastening buttons on card.....	70	.10	7.00	.20	14.00
Total per day.....			a 80.78		b 187.96

<sup>a</sup> At 4.16=336.04 marks, or for three hundred working days 100,812 marks, or for 1 gross of press buttons 0.05 mark, in the United States.

<sup>b</sup> Or for three hundred working days 56,388 marks, or for 1 gross of press buttons 0.028 mark, in Germany.

If to these figures the usual rate of 100 per cent be added for management expenses, the result will be 0.10 mark in the United States and 0.056 mark in Germany.

In making a comparison of the cost of the clerical force we will assume that for a yearly production of 2,000,000 gross the clerical force given in the American statement is necessary, although we consider it greatly exaggerated.

The expenditures in salaries per year will accordingly be as follows:

	United States.		Germany.	
	Per month.	Per year.	Per month.	Per year.
Bookkeeper.....	\$52	\$624	200	2,400
Second bookkeeper.....	43	516	120	1,440
Clerk.....	34	408	150	1,800
Do.....	43	516	125	1,500
Shipper.....	78	936	130	1,560
Stenographer and typewriter.....	43	516	125	1,500
Superintendent.....	150	1,800	500	6,000
Total.....		a 5,316		16,290

<sup>a</sup> At 4.16=marks, 22,114, or, per gross of press buttons, 0.11 marks United States, 108 marks Germany.

As the two comparisons show, the difference in the expenses, even taking the highest American figures as against the actual German figures, is as follows:

	Mark.
1. For the mechanical force only-----	0.022
2. For the clerical force -----	0.03
3. Average of the two together-----	0.052

The goods are already protected by the high rate of duty of 45 per cent in behalf of the American producer, and therefore the exorbitant demand of the single American firm to increase the prohibitive duty to 75 per cent is astounding.

If, as the American firm states, the selling price of one gross of finished buttons is 15 cents or  $62\frac{1}{2}$  pfennigs, the German manufacturer, if he had no duty to pay, would earn fully 20 pfennigs more than the American out of this selling price of  $62\frac{1}{2}$  pfennigs.

However, the American is already protected by the old rate of 45 per cent, and can consequently pocket a profit of 10 pfennigs more per gross than the foreigner. If the absolutely exorbitant prohibitive duty of 75 per cent were adopted, his profit would be at least 20 pfennigs per gross greater. Moreover, the selling price of 15 cents, mentioned by the American firm, refers only to a very cheap button, the upper and lower parts of which consist only of a single bit of sheet brass. It does not refer to that better quality of press buttons which, besides the sheet metal parts, contain an ingeniously arranged bronze spring and are not produced by American manufacturers, but are imported by German and Austrian manufacturers.

We will moreover call attention to the fact that the aforementioned quality of press buttons are sold at \$0.40 in the American wholesale market so that, at this high selling price, the Americans do not have to compete with the foreign manufacturers. The imports of the ordinary cheaper button are insignificant.

#### SCHEDULE F.—SUGAR.

##### SUGAR.

\* \* \* reports, in addition to his former statements in connection with pamphlet 5, page 338, that at present about the following wages are paid:

	Pfennigs per hour.
1. Head laborers, etc., 3.50 to 5 marks per day; so that this is correct.	
2. Unloaders of beets, etc., into the washing tank, below 30 pfennigs per hour as against 5 cents (21 pfennigs). Data are lacking regarding the persons unloading beets from wagons and cars into sheds, etc. This work is not done by contract, and the men earn-----	30-45
3. Beet washers, about-----	30
4. Diffusion battery-----	28-35
5. Assistant laborers-----	26-30
6. Saturation-----	26-30
7. Filter presses-----	26-28
8. Evaporating station-----	28-32
9. Vacuum (cooker)-----	30-40
10. Stoker-----	30-35
11. Smiths (artisans)-----	35-45

The laborers employed in the beet fields (*Zuckerbodenarbeiter*), who work mostly by contract at 30 to 45 pfennigs per hour, are entirely omitted.

## BEET SUGAR.

[Pamphlets 5, 19, 31, 42.]

— makes the following remarks regarding the utterances of the American interested parties concerning conditions in the sugar industry:

Pamphlet 5: On page 254 Mr. Colcock makes the following statement:

Reciprocity has somehow become a fad with the tariff revisionists. In order to create a way for it, we hear of suggestions to create maximum and minimum rates.

I can not find that sugar is regarded by the continental nations of Europe as an article which adapts itself to such a purpose. Under the Brussels Convention an extra duty was established on sugar and the thus increased duty excludes sugar entirely (from importation).

Why should this article then be made the basis of reciprocity treaties in the United States?

This statement is false. Exactly the opposite has come about through the Brussels Convention. The countries signing the convention, as far as they export sugar, have, through this convention, lost their until then existing tariff autonomy with respect to sugar, and have had to reduce the extra duties to such an extent that an extra duty can hardly any longer be said to exist. The reason why the imports of sugar into these countries has not materially increased in spite of this is that their markets are already so completely filled by their own production that there is no longer any room for foreign sugar.

On page 294 Mr. Hathaway compares the cost of production of North American beet sugar, which he places at 4 cents per American pound, with an average calculation for German beet sugar, which he bases on the f. o. b. Hamburg prices taken from Willet & Grey. In doing this he compiles the prices from 1900 to 1907, in order to arrive at an average price of about 2 cents per pound of 88-degree German beet sugar.

In this calculation the mistake is made of placing the export prices of the years 1900 to 1903 on an equal basis with those of the previous years. As a matter of fact, however, the producer still received the export premium and the advantage of the "cartel" in the years 1900 to 1903. If it is desired to obtain the average price in this manner, only the years 1904 to 1908 can be used as a basis.

We should then attain the following result, adding by way of supplement for 1908 the price calculated by Willet & Grey.

According to this the table of prices would be about as follows:

*Beet sugar 88 degrees f. o. b. Hamburg, per hundred pounds.*

1904-----	\$2.14
1905-----	2.55
1906-----	1.87
1907-----	2.05
1908-----	2.22

According to this the average price would not be 2 cents per pound, but 2.17 cents.

Likewise, the average price of granulated sugar f. o. b. Hamburg is not  $2.38\frac{1}{2}$  cents, but 2.58 cents, as shown by the following calculation:

	[ Per 100 pounds.]
1904.	\$2.55
1905.	3.00
1906.	2.31
1907.	2.40
1908.	2.64

The average for the five years, \$2.58 per hundred pounds, or 2.58 cents per pound.

On page 295 the same gentleman cites a synopsis, beginning with 1900-1901, from which he draws the conclusion that the beet-sugar production increased by one-half million tons in the eight years.

If he had included the figures for 1908-9, and begun one year later, he would have been able to discover a decrease of about one-half million tons in the eight years. The fact that the cane-sugar industry experienced a considerable decrease during these eight years is passed over in silence.

On page 296 Mr. Hathaway states:

In spite of the fact that Europe can produce 88-degree sugar and sell it profitably at an average of 2 cents per pound (this assertion has just been refuted), every producing country considers it necessary to maintain a protective tariff against cane sugar, which is produced in the Tropics by still cheaper wages.

Among other things, the gentleman then cites the following tariff rates: "Austria-Hungary, \$2.39 per hundred pounds of raw sugar, \$3.50 per hundred pounds of refined sugar," to which he remarks:

Moreover, an internal additional tax of 32 cents per hundred pounds of refined sugar and 30 cents per hundred pounds of raw sugar has to be paid Germany—\$1.51 per hundred pounds on all sugar.

As a matter of fact, the duty in Germany and Austria as well as elsewhere amounts to 4.40 marks per hundred kilograms of raw sugar (\$0.50 per hundred pounds), and 4.80 marks per hundred kilograms of refined sugar (about \$0.51 per hundred pounds).

On page 311 the following dialogue appears:

Mr. CRUMPACKER (member of the Committee on Ways and Means). Mr. Hathaway, how does the home price in Germany compare with the export price?

Mr. HATHAWAY. It is much higher.

Mr. CRUMPACKER. What causes this difference?

Mr. HATHAWAY. The tariff and "cartel" (trust).

A difference between the export and home prices based on the tariff (meaning customs tariff) and the "cartel" does not exist. The difference arises solely from the internal tax, which affords no benefit to the producer.

On page 322 Mr. Willet declares that German granulated sugar can not be used for consumption in the United States without further preparation, and therefore its price is 25 cents below cane sugar and 15 cents below beet sugar.

It is doubtful whether the high German granulated brands are not immediately fit for American consumption. If this were not the case, the fact should be taken into consideration in comparing the cost of production of German and American granulated beet sugar, for a higher quality naturally necessitates higher cost.

The opinion of Mr. Willet here mentioned is also incorrect in that the Americans demand an unsifted granulated sugar, while in Germany the granulated sugar which is exported is sifted in compliance with the demand of the English market. We should, of course, omit this sifting for the American market, and could without difficulty produce the goods required there. Special stress must be laid on this point in order that the American Sugar Refining Company may not say that nothing is attained by reducing the tariff on granulated sugar for the reason that the German article is not suited for the American market, anyway.

On page 344 Mr. Baird quoted the statement of a Magdeburg "friend," whom he alleges to have said that sugar was on the decline and the poor devils (meaning the small farmers who sell beets) now receive about \$3 per ton for beets.

This statement can hardly have been as quoted. The assertion therein contained that 12.60 marks (is paid) for 20 hundredweight and only about 0.60 mark per hundredweight is without any foundation and can by no means be applied to Germany in general. According to the official statistics for the beet-sugar seasons, the price paid for salable beets in 1902-1908 was 0.98 mark per hundredweight, and in 1906-7 the price was 0.84 mark.

On page 345 Mr. Baird gives the price of 1 pound of sugar intended for consumption in Germany at about  $6\frac{1}{2}$  American cents, while the cost of production amounts to about only 2 cents.

The gentleman forgets here that a high consumption tax is included in the  $6\frac{1}{2}$  cents. However, the figures themselves are wrong. At 2 cents per pound (about 9.25 marks per 50 kilograms) sugar can not be produced for any length of time in Germany at the present wages. The selling price is also much too high. Six and one-half cents are equal to 27.3 pfennigs per American pound (the German pound, as is known, is somewhat heavier). The German price according to weight would therefore even perhaps be 28 pfennigs. This is a price that has not been attained in Germany in recent years, for sugar was always to be had at 22 pfennigs and even cheaper. Baird further overlooks the fact that sugar for consumption is a different article from that which, in his opinion, can be produced in Germany at 2 cents a pound, namely, 88 degree raw sugar.

When Baird states on the same page that we are satisfied if we can only dispose of the by-products of sugar manufacture at a profit. This is also a great exaggeration and, applied in so general a way, is of course not true.

Pamphlet 19: On page 2373 the American Sugar Refining Company claims that the refinement of cane sugar is more expensive than that of beet sugar, because cane sugar contains coloring matter which can only be eliminated by means of expensive filtration over bone charcoal, etc.

Hitherto the exact opposite has always been maintained by those interested in cane sugar. The American refiners have constantly declared that they prefer cane sugar to beet sugar, and therefore allow the former somewhat higher prices when the polarization is equal. The slight increase in the consumption of bone charcoal in refining cane sugar is offset by the favorable conditions under which cane sugar crystallizes and by the increased value of the draining sirups.

The real beet sugar refinement would seem to be at least as costly as the refinement of cane sugar.

On page 2375 the aforementioned company states that the surtax of the Brussels Convention enables the sugar-producing nations of the European continent to maintain the price of refined sugar at home sufficiently high in order to sell the surplus in the open foreign markets at a lower price than sugar could be produced for there.

It is not true that the price of German refined sugar is kept high at home in order to enable it to be exported more cheaply. The opposite has been ascertained to be the case (cf. "Deutsche Zuckerindustrie," 1908, p. 1021). "As a matter of fact it frequently occurs now that white sugar is sold at home below the par value of the world market price, and that, for instance, more can always be obtained for a sack of crystalized sugar at London than on the same day in Germany."

Pamphlet 31: On page 4531 R. G. Wagner, president of the Wisconsin Sugar Company, says: "No sugar is exported."

This is not exactly correct. There is in fact, some refined sugar exported and within the last few weeks even large consignments have been made to England. If the American refiners can do this, they must either not produce at a greater cost than we in Europe, or they are in a position behind the high-tariff walls in the United States to make up the loss upon importing. It would then not be the German refineries that export at the cost of the home consumer, but the refiners in the United States themselves.

On page 6111 the same gentleman repeats the assertion regarding the high European protective tariffs.

What was said above applies here also.

On page 6117 Mr. Palmer compiles the European customs duties in an appendix to his travel report, without everywhere pointing out with sufficient plainness that in most cases, as, for instance, in that of Germany, there is included in these duties the consumption tax which must also be borne by the home industry.

#### SCHEDULE G.—AGRICULTURAL PRODUCTS AND PROVISIONS.

##### DEXTRIN.

The Chamber of Commerce of Frankfort on the Oder has received the following report in connection with pamphlet 31, page 4583:

The statements made regarding wages, amount of starch contained in potatoes, length of time the factories operate, and value of waste products as fodder, as a proof of the favorable situation of the German potato-starch industry as compared with the American, are not correct. The sum of 2 to 3 marks given as the wages paid for a ten-hour day must be corrected to read 2.50 to 3 marks. The German potato, instead of always containing 20 per cent of starch, contains only 16 per cent to 21 per cent in some years, according to weather conditions, the average for the last four years having been  $18\frac{1}{2}$  per cent. The length of time during which German potato-starch factories operate is not eight but on an average only four months at most. This long period of eight months is cited as a specially favorable circumstance for the reason that cattle may be fattened with the

waste products of the potatoes during this time, which is impossible during the period of only two months during which the season lasts in the American potato-starch factories. Against this we will state that the waste products can not be used for fattening cattle, and that although they are fed, they have very little fodder value, as is shown by the fact that when dried they are usually sold for only 5½ to 6 marks per 200 pounds.

#### CHICORY.

The Chamber of Commerce of Nuremberg reports as follows in connection with pamphlet —, page 6130, regarding the cost of production of chicory:

The statistical data regarding the cost of production of chicory in Germany are entirely erroneous. Likewise the wages given for the labor in a factory and agricultural labor are contrary to facts.

The cost of production and packing of 500 pounds English is as follows:

	In Europe.	In America.
Wages ..	\$0.40 instead of \$0.15.....	\$1.00
Paper ..	1.40 instead of 1.20.....	2.25
Chest ..	1.70 instead of 1.20 .....	1.70
	3.55 instead of 2.55 .....	4.95

The American wages are probably estimated somewhat too high, and the German costs are increased by higher transportation expenses and the import duty.

An untrained factory worker receives at least 3.50 marks for ten hours, instead of 1.60; a trained worker receives as high as 4.10 marks; an untrained female laborer receives 1.75 marks instead of 0.40; and a trained female laborer 2.20 marks.

Male agricultural workers are paid 3 marks a day and female workers from 1.50 to 2 marks.

#### POTATO STARCH.

The Chamber of Commerce of Frankfort on the Oder reports as follows with regard to pamphlet 42, page 6184:

The prices of German and Dutch potatoes and potato flour cited by Mr. T. H. Phair of Presque Isle, Me., as a proof of the necessity of protecting the American potato-starch industry, are not correct. The price of 8 to 10 cents a bushel for potatoes (about 87 pfennigs per hundredweight) could only exist as an exception in years of tremendous crops, and even then only for poor potatoes containing little starch. Factory potatoes cost as follows in Germany per hundred-weight:

	Marks.
1904-5 .....	2.50
1905-6 .....	1.30
1906-7 .....	1.25
1907-8 .....	1.75
1908-9 .....	1.60
At present.....	1.75

The average price of factory potatoes in Germany during ordinary harvests may be taken at 1.50 marks per hundredweight, so that it is not so very much cheaper than the price of American potatoes (15 to 20 cents per bushel or about 1.70 marks per hundredweight). In view of the endeavors of German agriculturists to enhance the prices of their products under any circumstance, not cheaper but rather on an average higher prices may be calculated on in future.

Corresponding to these prices of raw materials the manufactured products are also higher than given by Mr. T. H. Phair. German potato starch (export quality) cost on an average as follows:

	Marks.
1904-5 -----	29. 25
1905-6 -----	19. 75
1906-7 -----	20. 00
1907-8 -----	25. 25
1908-9 -----	22. 25
At present-----	23. 00

The average cost was thus 23.25 marks per 100 kilograms f. o. b. Hamburg, or 1.50 marks per 100 kilograms higher freight free New York, including marine insurance, while Mr. Phair gives the price of \$2.20 per 100 pounds (about 19.60 marks) freight free New York. Such a price, however, is not to be thought of.

Using the average price as a basis, German potato flour costs the American consumer as follows per 100 kilograms:

	Marks.
Price f. o. b. Hamburg-----	23. 25
Freight and insurance to New York-----	1. 50
Duty 1½ cents a pound-----	14. 07
	<hr/> 38. 82

This as against a price for American potato flour of 3½ to 4 cents a pound (equal on an average to 32.80 marks) per 100 kilograms, according to the statement of P. H. Phair. It is therefore a great exaggeration to say that a reduction of the tariff would bring about the ruin of the American factories and potato growers.

#### HOPS.

[Pamphlet 8, p. 604.]

[Extracts from a report to the Chamber of Commerce at Nuremberg regarding hops.]

According to an opinion sent to the Chamber of Commerce of Nuremberg by a firm engaged in exporting hops to the United States, regarding the hearings of Messrs. Horse, Klaber, and Durst, it is untrue that the cost of producing hops in America is greater than in the continental nations. On the contrary, there is no country in the world in which the conditions of production are more favorable than in America. While the climate and character of the soil in the European nations necessitate a much more intense application of labor, and the hops, especially in spring and in the month of June and July, are injured by cold nights and insects, and the crop rendered uncertain, in the excellent climate of California and Oregon the hop almost always thrives and crop failures hardly ever occur, as the producers themselves admit in their statements. The costs of production in the countries of the European continent and England are also consider-

ably higher than in America. In America the average cost of production per pound has heretofore been calculated at 7 to 8 cents, and never higher than 9 cents. We therefore consider the figures given at Washington to be much too high. If the American committee will give these figures another careful examination, it will certainly be found that the cost of production as given by these gentlemen is far too high. Hop raising in the United States is in the hands of large producers. The whole system of culture is organized for the production of vast quantities at a cheap rate. The picking, which is frequently done there by machinery, and the drying of the hops, are done much more rapidly in the excellent climate of California and Oregon than here in Europe. Moreover, in America a single variety is usually raised, whereas among us very different varieties of hops are planted and cultivated, these varieties differing considerably in quality and quantity of yield. In America the variety yielding the greatest quantity is chiefly raised. Therefore the price of production in America is about the same with all producers. In Germany, Austria, and England conditions are materially different. Here vast districts are devoted to the culture of a hop of quality, but this quality can only be obtained by ceasing to demand a heavy yield per plant and devoting the main effort to raising an article of quality. For this reason costs of production in Europe vary considerably. Nevertheless it is certain that hops can not be produced in any country in Europe under 40 to 50 marks per 100 pounds. The cost of production of our cheapest European varieties is therefore higher than the cost of production of the average American article. On the other hand, the cost of production in our favored Bavarian and Bohemian regions ranges from 70 to 80 marks per 100 pounds, or twice as high as the American product. Therefore the arguments that hops can be produced more cheaply in Europe, and especially in Germany than in America, are untenable. Likewise untenable is the assertion of Mr. Klaber and associates that a pound of German or Austrian hops would take the place of 2 to  $2\frac{1}{2}$  pounds of American hops, because the German hops are more substantial, and that therefore the tariff of 12 cents must be raised to 24 cents, because the German hop is twice as productive as the American.

Every brewing expert will declare that the same amount of beer can be produced with one pound of American hops as with one pound of German hops. However, inasmuch as the American hops have a very peculiar taste, different from the German hops, the flavor of the beer will be entirely different than if the beer is produced by a mixture of German and American hops.

#### SCHEDULE J.—COTTON MANUFACTURES.

##### CORSETS.

A corset manufacturer reports as follows to the Chamber of Commerce of Plauen with regard to pamphlet 32, page 4730:

In general, I should like to remark that all of the statements of the Committee on Ways and Means are, in my opinion, made for a purpose—that is, in order to show as great differences as possible between the wages in Germany and America and thereby place difficulties in the way of a reduction of the tariff.

As a matter of fact the present duty on corsets in the United States operates in an absolutely prohibitive manner against our article and practically prevents its importation.

Page 4731 (Germany) : I consider the rates of wages given here for Germany as being absolutely too low. Good female workers in Germany can, in many cases, earn considerably more, and the average earnings of 2.10 marks per day, as given, is entirely too low. The average amount earned per day would have to be calculated at 3 marks at least in this country, provided, of course, that the laborers work full time. However, there are a great number of female laborers who earn from 24 to 30 marks and even more per week when working full time.

The above data refer to Saxony, and as the wages paid here are, perhaps, somewhat lower than in certain larger places where better articles are produced, as Cologne, Stuttgart, Cannstatt, etc., the figures might, at these places, even exceed those given above.

The statements made that the German corset industry pays 62 cents for a working day of twelve to fourteen hours are not in conformity with the facts for the reason that in Germany, as is known, the working hours for female laborers is fixed at eleven hours (on and after January 1, 1910, ten hours) as a maximum. The statements made by me above regarding the German wages are based on a ten-hour working day, such as will probably be adopted in most corset factories.

[Pamphlet 32, p. 4731.]

The following report has been made to the Chamber of Commerce of Stuttgart:

1. In the report before us regarding a communication of the Corset Manufacturers' Association of the United States we find assertions made which are by no means in accordance with the truth as far as they relate to wages here.

We therefore feel called upon to make the following rectifying statement, of which we respectfully request you to take note and make proper use:

As a reference is made in the communication to wages paid in Connstatt (Cannstatt), we infer, as exporters at this place, that we are referred to, and we will hereby state that in the first place there are no working days here of twelve to fourteen hours, but only from nine to ten hours, and the weekly wages paid are as follows:

Cutters who design models, therefore first-class cutters, up to 60 marks.

Other skilled cutters, from 25 to 30 marks.

Skilled sewing women, from 15 to 25 marks.

Female overseers, from 25 to 40 marks.

Other female laborers in proportion.

Besides the legal obligations, such as sick and disability insurance, trades unions, etc., the manufacture, especially the manufacture of corsets designed for America, involves considerable other expenditures, as only the most skilled hands can be used therein.

The statements of the Corset Manufacturers' Association are either based on entirely false information or perhaps on data obtained ten or more years ago.

Notwithstanding the exaggerations which the American manufacturers take the liberty of making in their communication, our wages are not lower than those paid by them.

2. The wages given by the American manufacturers for Germany may have been correct many years ago, but to-day quite different wages are paid, even at places where only staple articles are manufactured, as at Oelsnitz, in Saxony, and at Heubach; the wages are not materially lower in these places than here, except for high-grade laborers, those performing preparatory work, and cutters:

Skilled sewing women earn here from 14 to 22.50 marks per week.

Those engaged in ironing and finishing, 18.50 to 30 marks.

Cutters, 25 to 35 marks.

First-class cutters, women overseers, etc., still more.

The selling conditions in America are different than with us, so that the goods can be manufactured on a larger scale there than here, and the mechanical arrangements are quite different than with us, to such an extent that perhaps the difference between the wages in the two countries are almost compensated. Moreover, there are many more and considerably larger factories run on a large scale in this industry in America than in Germany.

3. The statements of the American corset manufacturers in the printed document laid before us are by no means in accordance with facts. When they say that the wages paid in Europe amount to only a fraction or a third of those paid in the United States, the answer to be made is that the wages cited for Germany as a basis of these statements are not correct. If these wages were really given by four of the most important German factories, this must have happened fifteen or twenty years ago, and the fact has not been considered that since that time wages have very materially increased here. The wages cited for Constatt (by which Cannstatt and therefore also Stuttgart are doubtless meant) are absolutely ridiculous, for skilled sewing women do not earn from 8 to 12 marks, but from 15 to 25 marks a week, and skilled cutters, instead of receiving 15 to 20 marks, earn 25 to 30 marks a week, while master cutters who can design models receive 50 marks a week, and even more, according to the work performed. (Cf. also pamphlet 42, p. 6219.)

#### TEXTILE FABRICS.

The following has been reported to the Chamber of Commerce of Chemnitz regarding pamphlet 32. page 4747:

The National Association says:

Page 4750: "The living expenses of the American laborer have increased at least 25 per cent within eleven years since the last tariff went into force."

The living expenses of the Saxon stocking weaver have increased at least to the same extent as those of the American laborer, and perhaps to a greater extent.

Page 4749: The report of the National Association speaks of the cottage industry—that is, the industry in private houses in the villages of Erzgebirge. The yarns related about starvation wages, unlimited hours of labor, and the cooperation of the whole family belong entirely to the past. For years there has ceased to be any cottage industry in the manufacture of stockings, these articles being now made only in factories, large and small. The income of the laborers has been greatly increased owing to improved machinery, and it may be even said to have doubled. An average earning of 27

to 30 marks per week may be taken as the rule, but weekly wages of 50 to 60 marks are not rare. The hours of labor are regulated by law, and are less than in other industries, being about fifty-nine hours a week. To the wages must be added the not inconsiderable burdens which have come about from the social laws, and which also exercise an influence on the costs of production of the article. All these are things which are unknown in the United States.

Page 4752: It is further stated that as a result of a strike last summer the Saxon stocking manufacturers had obtained a 25 per cent reduction in the wage schedule.

Page 4750: Furthermore, the Saxon manufacturers are accused by the National Association of deceiving the customs authorities by false declarations, etc.

Every word of such talk as this is a fabrication. There is neither such a thing as "averaging"—that is, the invoicing of two articles of different values at an average price—nor is there any issuing of false invoices and the like. All goods going away from here are permanently sold. No goods are sold on consignment.

The appraisers at New York know the manufacturers and their goods so well that no one could undertake to make false declarations. Every person acquainted with facts knows that hardly any differences have occurred since Mr. Lloyd has been at the head of the hosiery appraisers at New York. Most of the goods purchased here go directly to large American dry goods houses, first-class firms, who would not be guilty of making underdeclarations to the American Government. Underdeclarations are also considered dishonest among German manufacturers, and it is a malicious slander on the part of the National Association to assert the contrary.

Page 4767: In conclusion, we will refer to the letter written by Mr. McCarthy, of the firm of Levi, Strauss & Co., of San Francisco, to the Ways and Means Committee. We can state that we agree entirely with its contents.

This letter is the only report of our adversaries among the hearings before the Ways and Means Committee which represents the great consuming public instead of the one-sided interests of a few American manufacturers.

The National Association of Hosiery and Underwear Manufacturers selected four examples in its communication to the Ways and Means Committee, in which it compares the costs of production in Germany and America of four kinds of hose, and arrives at the conclusion that the German article after paying the duty is still much cheaper in America than the home product. Consequently it argues that the latter should be protected by still higher duties. We will assume that the statement of the costs of production in America is correct (it is certainly not too low) and will argue from this standpoint. The data regarding the cost of production in Germany, however, are false in every respect, being in part misrepresented in a most frivolous manner and in part drawn from imagination without any foundation whatever. All the selling prices named for the four kinds of articles mentioned are too low, and consequently the ad valorem duties levied thereon are given much too low. Some articles of this kind may have been sold temporarily by some manufacturers at these prices last summer, but only by persons who had to have money at any price. These were forced sales and not regular business deals.

The wages given for Saxony are entirely false and without any foundation. They were simply set at 30 per cent of the American wages. Such an unwarranted procedure can not be taken in earnest and is its own judge. It is a characteristic sample of the reliability of these reports as a whole.

The costs of yarn, pasteboard boxes, packing, and chests are also entirely wrong, made out of whole cloth, and much too low.

The mill expenses which were set at 13 cents (52 pfennigs) in Germany are in reality much higher and very little lower than in America.

We reproduce the four examples in the appendix, give the data of the National Association, and place opposite them the real costs of production in Saxony. This compilation was made by us most accurately and conscientiously. We will mention in this connection that the Americans include under "wages" all wages paid in the manufacture of the article, including supervision, making up, storing, packing, etc. Any data procured from here over there regarding wages have never represented anything but the actual wages paid for weaving. In our compilation we have been careful to conform exactly to the American scheme, in order to secure an absolute comparison.

We will mention, further, that the American manufacturers have mostly new, broad machines of 20 to 24 parts, while in many cases old machines of 12 to 18 parts are in use here, to the operators of which correspondingly higher wages are naturally paid.

The four examples cited were, of course, selected by the National Association purposely in order to make the costs of production in America appear specially high. They relate to goods the manufacture of which can only be introduced with difficulty into America, goods which are produced on specially delicate and not easily operated machines, for which there is still a scarcity of trained hands in America. In order to attract such skilled workmen, however, it is necessary to pay abnormally high wages for these experimental articles, so that the weekly wages paid to a weaver come to \$28 to \$31, as stated in the hearings. This, however, is by no means the rule, the weekly earnings averaging about \$15 to \$17, as we have learned reliably from workers who have been employed for many years in American factories. If the examples selected had related to those kinds of hose which are already being manufactured in the United States in enormous quantities, such as 27-gauge and 30-gauge articles, woolen stockings, and seamless hosiery, quite different results would have been obtained.

It may be asserted and proven at once that the American production of these articles is so much in the lead and so cheap that even now it is impossible to import it from Germany. Furthermore, only articles made of Egyptian cotton were selected as an example, and this cotton must first be imported to America, its price being increased by freight and duty. If the articles made of American cotton, which predominate by far, had been selected the costs of production would even then have been much more favorable to America.

From our comparison it will be seen that, even in the four examples which the National Association purposely selected as the most favorable to it, the American product is more than abundantly protected

by the existing tariff, that these high rates render the goods excessively dear to the purchasing public, and that a reduction in the tariff is absolutely necessary in the interest of the consumer.

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To the PRESIDENCY OF THE CHAMBER OF COMMERCE,  
*Chemnitz.*

The National Association of Hosiery and Underwear Manufacturers, in their report to the Ways and Means Committee, selected four examples of hose, for comparing German and American costs of production, and concludes therefrom that German merchandise with the duty added is still a great deal cheaper in America than the domestic product. In consequence the latter must need be protected by still higher duties. We will assume the statements of the American costs of production to be correct (they are surely not too low) and start from this basis. But the figures for the German costs of production are wrong in every particular, and partly misrepresented in a grossly unscrupulous manner, and, for the other part, purely invented without any data to go on.

The selling prices, quoted for every one of the four specimens, are too low, and consequently the ad valorem duties levied upon them are stated much too low, also. Similar lines may temporarily have been sold last summer at similar prices by a few manufacturers: but, as stated in our previous communication, only on the part of people who were obliged to find money at any price. Such transactions were of the nature of compulsory realizations and not regular trading.

Absolutely wrong, and lacking all foundation, are the quotations of Saxon wages. They have simply been entered at 30 per cent of the American rates. A procedure so entirely lacking any kind of foundation can not be taken seriously, and condemns itself. It stigmatizes the credibility of the entire report.

The figures for yarn, boxes, packing, and cases are also quite wrong, assumed at random regardless of any facts, and much too low.

The mill expenses, entered at \$13 for Germany, are, as a matter of fact, much higher and only a trifle under the American.

Now, we report the four specimens in the inclosed exhibit, giving the figures of the National Association, and confront them with the real Saxon costs of production. This statement has been compiled by us with the greatest accuracy and conscientiousness.

We would point out that, under the item "wages," the Americans comprise all wages, expended in the product, including examining, boarding, folding, packing, etc. Any statements of wages which may have been received in America from this side have always represented the mere knitting wages alone.

In our statement we have exactly followed the American form, in order to arrive at an entirely corresponding comparison.

We further point out that American manufacturers mostly possess new, wide 20 to 24 at once machines; whereas, to a large extent older 12 to 18 at once machines are operated here, and on these the wages are, of course, proportionately higher.

The four examples put forward by the National Association have, of course, been intentionally chosen so as to make the American

product appear as dear as possible. They refer to goods, the manufacture of which on that side can only be domesticated with difficulty, and that are produced on especially fine complicated machines, for the operation of which it is that skilled hands are at present not forthcoming.

To develop this class of workmen abnormally high wages must be paid for such experimental lines, and this has originated the weekly wage figures for knitters of \$28 to \$31 cited in the hearings. But, as a matter of fact, these are by no means the rule; the average weekly earnings amount to \$15 to \$17, as we know reliably from workmen who have spent years in American factories. Had the example been drawn from hose, such as are already being produced in vast masses in the States, for 27 and 30 gauge goods, woolen stockings, and seamless hosiery, entirely different conclusions would have been arrived at.

It can be absolutely maintained and proved that in these directions American manufacturers are so superior and cheap that any importation from Germany is impossible even to-day. Further, it deserves remark that only lines of Egyptian cotton were chosen. This material has to be first imported into America and is enhanced by carriage and duty. If the largely preponderating lines of American cotton had been selected, the cost of production in America would have appeared in a far more favorable light.

Our comparative figures will show that even in the four specimens cited by the National Association deliberately as the least favorable to themselves American manufacturers are more than sufficiently protected by the existing duties; that these heavy rates unduly enhanced the price of merchandise for the purchasing public; and that, in the interests of the consumer, a reduction of the duties should be emphatically demanded.

Respectfully,

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To the PRESIDENCY OF THE CHAMBER OF COMMERCE,  
*Chemnitz:*

The statements made by the North American hosiery manufacturers before the Ways and Means Committee in Washington with a view to revision of the Dingley tariff, kindly submitted to us, have been subjected to an accurate examination on the part of the presiding members of the Knitting Manufacturers' Union, and in their name I have to depose the following:

Among the parties who have made statements, a certain Mr. Waring plays a leading part. This gentleman is an individual sufficiently known here, formerly representative of a large Chemnitz exporting house, now agent for a number of American manufacturers. It has always been his aim to constitute the lines carried by him a monopoly, to the exclusion of competition by any and all means.

On the part of the American Hosiery Company it is maintained—

That the system of protective-tariff legislation had brought incomparable prosperity upon the country.

The economic growth of the United States of North America is more probably owing in the main to the inexhaustible natural resources of the country and the rapid increase of the population. These circumstances originated the large consumptive power and at

the same time the development of extensive home manufacturing, the latter unduly protected by high duties.

The report of the National Association of Hosiery and Underwear Manufacturers recognizes in the growth of imports of German hosiery a serious interference with home manufacturing.

Let it be first pointed out that, according to the statements of this very report, this importation increased inconsiderably in the period from 1903 to 1906; for three years the amount fluctuated between \$8,000,000 and \$9,000,000, and only rose to \$11,000,000 at the highest point of the economic boom in 1907. But the report is silent as to the degree in which domestic production rose during the same period, and more especially in 1907. The home production is merely quoted at \$50,000,000. In like measure, as exports rose in 1907 they will be found to have fallen in 1909 in consequence of economic depression.

The demand for still higher protection on the part of North American manufacturers is not dictated by way of self-defense against foreign manufacturers, but aims at their entire exclusion. It is not merely the desire for protection on what is already being manufactured—for the present duty quite suffices to render foreign competition quite out of the question—but still higher duties are to render it possible to seize even such small portion as can not yet be manufactured owing to the lack of suitable operatives in the States. Higher duties are not intended to benefit the working classes, as has been agitated; they are merely to gorge the pockets of a few manufacturers, raise the price of the article, and render an indispensable necessity dearer for the benefit of a few individuals, to the detriment of the general public.

The National Association—in other words, Mr. Waring—states that American hosiery mills are only working 3 to 4 days a week, and holds German competition responsible. That is an absolute misrepresentation of facts. After the financial crisis of October and November, 1907, demand shrank enormously; stocks are excessive even to-day, owing to previous speculation; during 1908 orders placed were of the smallest, something like 30 per cent of the previous year in Saxony.

The absence of orders compelled many machines here to lie idle, hours of labor to be curtailed, and hands to be discharged. Both manufacturing markets suffer under the same causes.

The National Association goes on to say:

The cost of living has gone up at least 25 per cent during the past years, since the last tariff came into force for the American workman.

The tariff rates, put into force eleven years ago, are alleged to offer insufficient protection to American produce to-day. On the contrary, these rates provide more protection now than they did then, for goods have been cheapened, both on this side and that, by perfected methods of manufacturing; but the duties have remained the same, and being largely of a specific nature, at so much per dozen, they constitute, pro rata, a heavier impost on the cheaper product of to-day than they did on the more expensive of eleven years ago.

The cost of living has risen at least to the same extent for the Saxon workman as for the American—I should say, if anything, to a greater extent. The report of the National Association speaks of the cottage industry in the villages of the Erzgebirge. The fairy tales there cited, as to starvation wages, unlimited working hours, the cooperation of all the members of a family, belong entirely to the past. It

is years since any cottage labor has existed in the stocking trade. Manufacturing is only carried on in factories, some larger, some smaller.

The income of the working people has been greatly raised by perfected machinery; it may be asserted that it has doubled. An average wage of 27 to 30 marks a week may be regarded as a rule, but even earnings of 50 to 60 marks a week are not uncommon.

The hours of labor are restricted by law and are less than in other trades, being about fifty-nine hours per week. To the wages must be added the expenses, not inconsiderable, imposed by social legislation, which affect the cost of production of merchandise. All this is unknown in the States.

Next the assertion is made that Saxon hosiery mills put through a 25 per cent cut in wages last summer through a strike.

This is not true. The strike was due to local causes, remained confined to a few villages, and evinced no reduction of wages to any appreciable extent.

Only some small discrepancies were abolished. The entire strike was only a trial of strength called forth by the social-democratic organization.

Cheap sales of stockings certainly occurred last summer, but, as stated in my former report, they were not due to cheaper cost of production, but simply forced sales on the part of manufacturers, who had to find money at any cost. Such sales are, or were, temporary phenomena; a continuance would have ruined the parties in question. No law can prevent such sales; they have nothing whatever to do with the cost of production, and can not be made the basis for fixing the rates of duty for a number of years. Furthermore it was stated that—

The Saxon wages amounted to 30 per cent of the American, and a number of wage items of American mills are enumerated.

Both statements are wrong. The Saxon wages have been taken at much too low a figure. Doubtless wage reports sent in by the American consul here are assumed. These are one-sided, apply only to a few single, specially selected, cheap lines, and originate from a few nonrepresentative small manufacturers. On the part of Chemnitz manufacturers information was declined to the consul. The statement of German wages, it should be said, only quotes the mere knitting wages, whereas the American rates comprise many wage items, subsequent to the knitting process; this circumstance renders a comparison difficult, and for the above reason alone the comparative statement is incorrect. The knitting wages for the same article differ in this market also because old and new machines of entirely differing efficiency are employed. The American statement of Saxon wages considers the lowest rates, which only apply to the very latest machines.

The American wages and weekly earnings that are quoted apply in nearly every case only to lines that are only manufactured in America to a small extent.

A weekly wage of \$30 is quoted for a knitter. That sum does not represent an average. Wages of this height are only commanded on the finest machines, and it is just these that can not be successfully introduced into America, owing to the lack of skilled hands. These

fine machines are at present quite exceptional, and by aid of enormous duties to the fabric they produce their general introduction is to be compassed.

Among all the wage statements submitted to the Ways and Means Committee there is only one, signed by Leo E. Boyden, giving wages for lines produced in the States to a larger extent. According to this the knitter earns \$16 to \$18 a week. That we have ascertained to be a correct average. The other examples have been selected from lines that have only been made experimentally and for which disproportionate wages have been paid in order to attract skilled knitters. These wages apply to 39 and 42 gauge goods, whereas American manufacturers at present mainly operate 27 to 33 gauge machines.

A supplementary report to the present will follow in a few days, in which we shall deal with the wages more fully and submit figures contradicting them. We shall also refute the four examples in which the National Association compares American and Saxon manufacturing. Everything is wrongly stated in these examples. I have not sufficient time to-day to put together and sift the documentary evidence.

A statement was also made to the effect that the duty paid by the German manufacturers on English yarns was refunded in exporting the goods made from them.

This is an absolutely untrue statement. There is no such thing as refunding duties in Germany. The National Association further charges Saxon manufacturers with circumventing the custom-house by means of false declarations, etc.

Every word uttered in this direction is a bare lie. There is no such thing as the alleged averaging, i. e., invoicing two lines of different values at a middle price, nor are false invoices, etc., made out. All the goods sent from here are bona fide sold. No consignments are made.

The appraisers in New York are so well acquainted with the manufacturers and their goods that no one could venture to make a false declaration. Everyone familiar with the conditions knows that since Mr. Lloyd has been at the head of the hosiery appraisements discrepancies have hardly occurred. Most of the goods purchased here go direct to large American dry-goods houses, firms of the very first standing, who would not make themselves guilty of undervaluations toward the American Government. In like manner undervaluations are regarded as dishonorable among manufacturers here, and it is a bare libel on the part of the National Association to assert the contrary.

In conclusion, I should like to refer to the letter written by Mr. McCarthy, of Levi Strauss & Co., San Francisco, to the Ways and Means Committee. We can indorse its entire contents.

Among the hearings before the Ways and Means Committee this letter is up to now the only statement made by the other party, the only statement guarding the interests not of a few American manufacturers in a partisan spirit but of the large consuming public.

A demand should certainly be made for more utterances on this side of the question. The importers of hosiery located in the United States should also express themselves. Up to now the inquiry before the Ways and Means Committee has assumed an entirely one-sided character.

Respectfully,

## FABRIC GLOVES (SILK).

The following report is made to the Chamber of Commerce of Chemnitz in reference to pamphlet 23, page 2005:

Mr. Julius Kayser, proprietor of the most important American fabric glove factory, made statements before the Committee on Ways and Means at Washington regarding the conditions of production in this branch of business which in part are not in conformity with the facts. Among other things he claims that the income of the working women in Saxony who are employed in making fabric gloves is not over 8 to 9 marks per week of sixty hours' labor as against \$8 to \$9 for fifty-five hours' work in America. These assertions are incorrect, and one of our informers can show from his books that his employees earn from 11 to 13 marks during the aforesaid length of time, and he knows that this is also the case in most of the other factories of this kind.

If wages are paid at the rate of 8 to 9 marks, the persons receiving them must be either unskilled workers or those who perform certain labor connected with the manufacture of very cheap bit by no means silk gloves.

Mr. Kayser is said to have further stated that the Saxon manufacturers are inclined to make inferior goods and that it would be better for the American public if pure silk gloves from Saxony did not come at all to America, owing to their inferior quality.

This charge is also absolutely untenable. The high protective tariff of 60 per cent ad valorem and free importation of the raw material of themselves prevent any exportation to America. If these articles by way of exception were able to be exported for once in considerable quantities, as was the case during the last seasons, there is a special reason for this, entirely disconnected with the quality of the goods. Such a case can only occur when the American manufacturers are unable to supply the demand, as occurred during the last two years, owing to the fashion for long gloves, which required a tremendous increase in material.

Such a condition of the market had never occurred before and will hardly occur again.

## COTTON HOSE.

The \_\_\_\_\_ reports as follows in addition to its previous statements:

In the proposed revision of the tariff the intention has frequently and distinctly been expressed of making the duty high enough in order to offset the difference in wages in Germany and the United States. In two typical kinds of ordinary ladies' hose, such as are now produced in the United States and on which the American manufacturers demand considerable increases in duty, the actual wages of the knitters have now been obtained as paid in one of the most prominent factories of regular hose in the United States (Fort Wayne, Ind.).

A comparison with wages paid in Germany shows the result following.

*Knitters' wages, per dozen.*

	Fort Wayne.	Chem- nitz.
	<i>Cents.</i>	<i>Marks.</i>
Ladies' cotton hose, 33 gauge:		
Legs .....	20	0.34
Feet.....	9	.17
Topping.....	6	.13
Looping.....	5	.09
Sewing.....	8	.20
Mending.....	5	.07
Total.....	53	1.00

## EXAMPLE 1.

	Marks.
Cost in Chemnitz -----	1.00
Duty on this article, at least 65 cents -----	2.60
Expense of shipment to New York -----	.28
Total -----	3.88
Cost to American manufacturer -----	2.22
Difference in favor of American manufacturer -----	1.66

NOTE.—About 40 cents, or 21 per cent, when this article is sold at \$1.90.

	Fort Wayne.	Chem- nitz.
	<i>Cents.</i>	<i>Marks.</i>
Ladies' lisle hose, 39 gauge:		
Legs .....	34	0.57
Feet.....	14	.19
Topping.....	8	.17
Looping.....	6	.12
Sewing.....	9	.24
Mending.....	6	.08
Total.....	77	1.37

## EXAMPLE 2.

	Marks.
Cost in Chemnitz -----	1.37
Duty on this article, at least 85 cents -----	3.57
Expense of shipment to New York -----	.28
Total -----	5.22
Cost to American manufacturer -----	3.23
Difference in favor of American manufacturer -----	2.00

NOTE.—About 48 cents, or 12 per cent when this article is sold at \$4.

These two examples show clearly and distinctly that the present duty more than insures the North American manufacturer against the competition of Chemnitz, and that this duty would have to be reduced if the proposed plan were carried out in the new tariff—that is, if the duty were merely to offset the difference in the cost of production in Europe and America.

These two examples were by no means selected as being favorable to us, they representing the two most usual kinds of regular fine stockings manufactured in the United States, and are the very two kinds about which the American manufacturers are fighting and in which they wish to drive us out of the market.

It has further been ascertained that the weekly wages of the knitters at Fort Wayne amount to about \$16 to \$18, while the American manufacturers mention \$28 to \$31 in their statements before the Ways and Means Committee. These were therefore very exceptional cases, as stated above, and not average wages.

The undersigned firms hereby declare that the goods mentioned in examples 1 to 4 of the report of the Union of Textile Fabric Manufacturers of Chemnitz and Vicinity, dated February 5 of this year, were not sold by them more cheaply than as given below:

*Example 1.*—Men's 39-gauge lisle half hose, 2/60r combed Egyptian lisle, 1 pound English, 6 to 6.55 marks, 4 per cent.

*Example 2.*—Lads' 36-gauge cotton hose, 1/20r combed Egyptian yarn (AAP), 1 pound 14 ounces, 6.30 to 6.55 marks.

*Example 3.*—Lads' 39-gauge lisle hose, 2.70r combed Egyptian lisle, 1 pound 6 ounces, not below 8 marks.

*Example 4.*—Lads' 39-gauge lisle hose, 2.70r combed Egyptian lisle, 1 pound 6 ounces, mercerized, not below 8.75 marks.

CHEMNITZ, February 8, 1909.

[Six signatures (illegible).]

I hereby certify that while my prices for the goods mentioned below have been very considerably higher during the past years, my present selling prices for these articles are as follows, and I further hereby certify that I have not sold any of these goods below the prices given herewith. These prices include 4 per cent cash discount. In cases in which 5 per cent discount would be given these prices would be correspondingly higher.

*Example I.*—Men's 39-gauge lisle half-hose, 2/60, 1 English pound, 6.05 marks, less 5 per cent cash discount, to 6.20 marks, less 4 per cent cash discount.

*Example II.*—Lads' 36-gauge hose, 1/20 combed Egyptian, 1 English pound 14 ounces, 6.30 marks, less 4 per cent cash discount, to 6.40 marks, less 4 per cent cash discount.

*Example III.*—Lads' 39-gauge combed lisle hose, 2/70, 1 English pound 6 ounces, 7.85 marks, less 4 per cent cash discount, to 8.10 marks, less 4 per cent cash discount.

*Example IV.*—Lads' 39-gauge mercerized combed lisle hose, 2/70, 1 English pound 6 ounces, 7.85 marks, less 4 per cent cash discount, to 9.50 marks, less 4 per cent cash discount.

CHEMNITZ, February 4, 1909.

#### COTTON FABRICS.

[Pamphlet 23, p. 3120.]

The Chamber of Commerce of Augsburg makes the following statement on the basis of inquiries made:

Regarding the taxation of damask Mr. Paterson, director of the Rosemary Manufacturing Company, at Roanoke Rapids, N. C., was heard as an interested party (cf. pamphlet 23, pp. 3120–3122). He declares that the present tariff on damask goods, amounting to 40 per cent ad valorem, is sufficient for ordinary damask, but not for mercerized damask, and asks for an increase to 50 per cent ad valorem for the latter. He bases his demand in the main on the assertion that the increased tariff protection must serve as an offset against the excessively cheap wages paid for labor in foreign countries. He claims that the difference in the wages is a determining factor in this case, because the mercerization is but a process requiring further labor, and that no more goods are furnished, but merely a more highly elaborated article.

In contrast to this we are able to answer as follows, on the basis of data furnished us by:

The mercerization of damasks consists in soaking the cotton threads in a sort of caustic-soda lye and then stretching them, whereby they

are given a silky luster; otherwise they are exactly like ordinary damasks. The demand of Mr. Paterson is based in the first place on incorrect suppositions, inasmuch as he claims that the wages are a determining factor in the costs of mercerization. This is incorrect, for the amount invested in the special machines used in mercerizing is so great that the wages paid for the labor involved almost entirely disappear in the calculation. Moreover, according to the present quotations of the open market, mercerizing does not cost 150 per cent more than ordinary bleaching, but only about 60 per cent to 80 per cent. However, the expenses of bleaching or of bleaching and mercerizing only constitute, generally speaking, a small portion of the total cost, for the bleaching of damask worth 50.60 pfennigs per meter costs about 4 to  $4\frac{1}{2}$  pfennigs, and the bleaching and mercerizing together about 7 pfennigs. According to this the grounds alleged by Mr. Paterson for a 10 per cent tariff increase would seem not to be tenable, for the mercerization does not cost 10 per cent of the value of these goods, but only about 5 per cent. The demand of this interested party, according to our information, is probably chiefly explainable by the fact that his enterprise is situated in North Carolina, a manufacturing district whose products have increased to an unreasonable extent within recent years.

#### COTTON FABRIC GLOVES.

The Chamber of Commerce of Chemnitz sends the following statement in answer to the petitions on page 6236, pamphlet 42:

The petitioners endeavor to justify their requests on the basis of two different examples, but it must be remarked in this connection that it is useless to refer to an article of 2/160r gauze, for the reason that such a quality is neither manufactured here nor demanded over there, so that it is incomprehensible how this example could have been used. The other article cited in comparison, made of 1/80r yarn, represents on the contrary a sort which is needed and sold in great quantities, but nevertheless even in this case it is quite impossible to derive any kind of a clear idea from this calculation, which is based on only four items, and in such a superficial form can not be verified. There would therefore be no purpose in examining the separate items, and the only thing to do is to subject the final result to criticism and to point out the obvious errors therein. The report in question gives the value of the yarn contained in 1 dozen as 40 cents in America, while the report sent by the American consul here regarding this item mentions 24 cents.

That 1 dozen cotton fabric gloves, finished as they generally are when offered for sale, and as those on which the foregoing calculation is based seem to be, can not be produced here for 25 cents, or 1.04 marks, was proven already in the last report.

The increased cost amounts to about 30 per cent and would be much higher in the case of better articles. The figures, as far as they represent the production in Germany, are altogether too low and those for the American products are probably too high.

The statement is also wrong that 1 dozen gloves which it costs 80 cents, or 3.36 marks, to produce here are usually sold over there for \$1.50 to \$1.75 by the wholesale merchants. If we consider the expenses of packing, which would constitute at least 10 per cent of the price as given, and also a very modest profit for the manufacturer,

the price of such an article would necessarily be \$1.60 and could not be sold below \$1.85 to \$2.

The whole calculation appears superficial and arbitrary and can not be used for an honest comparison.

#### WORSTED.

In connection with pamphlet 34, page 4998, a manufacturer belonging to the Chamber of Commerce of Dresden reports as follows:

The statements regarding the wages of German workmen are incorrect. A German spinner earns on an average 30 marks a week, and not, as alleged in the report on page 4999, 27.10 francs. In comparing American wages with German wages it must also be taken into consideration that the American employer immediately discharges a certain number of workmen when business becomes slack, while the German employer endeavors to keep his workmen even through dull business periods. The American workman must endeavor to insure himself to a certain extent against idleness by means of higher wages.

#### CARPETS.

With regard to the statement made in pamphlet 24, page 3284, and pamphlet 34, pages 4982, 5009, a Saxon manufacturer hands to the Chamber of Commerce of Plauen the following report, which he transmitted to the American consul at that place at his request:

With a view to conveying a clear notion to the German mandatories for their negotiations with the representatives of the United States of America, we feel we can not do better than to start from the American manufacture, of which 1 Amaxin rug 9 by 12 feet bought in St. Louis at \$34 stands at our disposal.

Before going any further into the matter, it is well to point out that said carpet bought to measure 9 by 12 feet equals 108 square feet—12 square yards—but measures only 8.11 by 11.8 feet, equaling 104 square feet— $11\frac{1}{2}$  square yards. However, as it would render things too complicated, we adhere to the nominal measurement.

As our United States traveler informs us, this carpet was made in Auburn, N. Y., and costs in the factory there \$34.

The carpet corresponds to our staple quality "Prima," in English-speaking countries being known by the name of "Saxony."

The texture is exactly the same, and although the quality of the wool is somewhat different—our wool material being a little finer and better—one can fairly say that, on the whole, it is the same manufacture, and the original cost of manufacture is the same, too, for both qualities.

Considering that, as the inclosed calculation shows, the carpet costs us \$14.46 and we are getting for it, duty and freight excluded, \$18.90, it yields a gross profit of \$4.44, which makes approximately 23 per cent gross profit.

However, this gross profit of 23 per cent is rendered illusive by our naturally being obliged to pay from it to our United States travelers and representatives (1) fixed salary, (2) office rent, and (3) commission on sales. The exact total of these expenses can not be given, as it varies every year according to the bigger or smaller turn-

over; if the turnover is small, however, these expenses bear so heavily on the profit as to absorb it entirely, leaving no balance in our favor.

It appears clearly, therefore, that the present law relating to customs is placing the United States manufacturer in an unassailable position, and there can be no question about his being able also to procure all materials, such as wool, and particularly cotton, that grows in his own country—in short, all yarns—at as low a figure as ourselves, and as the machinery for the carpet industry is being built in the United States themselves it is evident that he can get this, too, as advantageously as ourselves, if not cheaper still.

The only point open would be that he might have to pay higher wages. Our better class workmen and weavers are earning \$1 a day and a little more.

As regards this carpet, therefore, the American manufacturer is placed more favorably than ourselves by \$20, and if the present exorbitant duty were to be lowered to-morrow 50 per cent, he would still have the start of us by \$10 per carpet, and the inclosed calculation proves exactly that the European manufacturer can not possibly come up with him.

In order to avoid all confusion and misunderstanding, we have abstained from calculating also other carpet qualities, but beg to point out that all our other products are being calculated in the same way and at the same percentages.

American carpet square 17/4 Amaxin, Auburn, N. Y., ought to be 9 by 12, 108 square feet, 12 square yards, but is only 8.11 by 11.8, 104 square feet, 11 $\frac{5}{9}$  square yards; is too little by 4 square feet,  $\frac{4}{9}$  square yards.

This Amaxin rug costs in the factory at Auburn, N. Y., \$34.

The same carpet square of our manufacture, 17/4, 9 by 12, 12 square yards. Prima Axminster, for United States called Saxony, costs in the factory at Oelsnitz 78.30 marks-----	\$18.90
12 square yards, at 90 cents-----	\$10.80
40 per cent ad valorem-----	7.56
Freight and expenses-----	1.94
	20.30
	39.20

*Cost of manufacture in the factory at Oelsnitz.*

	Marks.	
Woolen yarn. English worsted, 7,000 grams-----	22.40	\$5.40
Chenille wages-----	6.40	1.54
Other yarns: Jute, cotton, linen (for back, 10,800 grams) -----	10.20	2.45
Power-loom wages -----	10.50	2.53
Groping and starching-----	.80	.20
Packing in oilcloth-----	1.50	.36
	51.80	12.48
General mill charges, wherein are included all costs of officials and clerks, coal, supplies and repairs, taxes, interest on investment, depreciation, insurance-----	8.20	1.98
Grand total cost-----	60.00	14.46

The commission for the United States traveler, which differs according to the annual returns, increases this grand total cost accordingly.

## SCHEDULE K (Wool).

[Statements of the Chamber of Commerce of Augsburg regarding the carding wool and worsted industry.]

## WOOL INDUSTRY.

[Pamphlet 24, pp. 3308, 3348.]

According to the facts learned by the Chamber of Commerce of Augsburg, the repeated statement of the expert, Mr. William Whitman (pamphlet 24, pp. 3308 and 3348), that the wages paid in the carding wool and worsted industry in Germany are only one-third those paid in the United States, is incorrect and must be refuted. For instance, Mr. William Whitman, on page 3348, gives the average earnings of an American weaver as \$9 to \$10 (about 36 to 40 marks) per week. A third of this would be from 12 to 13½ marks. However, an ordinary weaver in Germany does not earn on an average less than 15 to 18 marks, and often more. The assertion that the American laborer receives three times as much wages as the German is therefore at least greatly exaggerated. Two to two and a half times as much would be about right, and then the fact is not to be overlooked that the cost of living in the United States is about twice as dear as in Germany, for the very reason of the extremely high protective-tariff system.

## SCHEDULE M.—PULP, PAPER, AND Books.

## LITHOGRAPHS.

[Pamphlets 11, 35, 43, 45, 47, and 48.]

\_\_\_\_\_, of Leipzig, hands in the memorial of which 12 copies are inclosed. For the purpose of being used in the tariff agitation in America, the memorial has also been printed in English and sent to America by the union. Two copies of the translation are inclosed. The "Union for customs questions of the paper manufacturing industry and the paper trade" indorses these statements.

\_\_\_\_\_ has also handed in the accompanying wage tables prepared by 24 firms engaged especially in exporting to the United States. The original copies of the vouchers for all the wage tables, signed by the firms in their own handwriting, are also inclosed. An English translation of these documents, certified to by the proper American consuls, has also been sent to America, likewise with a compilation and calculation of the average wages.

MEMORIAL ON THE TARIFF HEARINGS OF THE COMMITTEE ON WAYS AND MEANS  
REFERRING TO DUTIES ON LITHOGRAPHIC GOODS.

The tariff hearings which are at present being held in the United States are, as may readily be conceived, being followed with great interest in Germany.

From the objectiveness and thoroughness with which these "hearings" are being conducted, and from the large and increasing general export from the United States into Germany, it is to be expected that the efforts of those American manufacturers, who endeavor to introduce prohibitive duties, will be without success.

A large proportion of the group of American lithographers has taken up such an attitude and has also proposed duties more or less prohibitive of any export to America.

This is quite conceivable, but it must be considered wrong, if these ends are sought to be attained by giving false, distorted, or intentionally misleading information.

It is only against such statements that the following particulars are directed:

The assertions which are intended to justify the raising of the duties are based upon—

1. The difference in wages and costs of production in both countries.
2. The alleged increased cost of American production through high duties on imported materials used.
3. The alleged insufficient rate of existing duties.
4. The increase in the export of lithographic goods to the United States.
5. The harm done to the American manufacturers through undervaluation.

It is earnestly intended to treat these questions herewith quite objectively and thoroughly.

#### I. ASSERTIONS REGARDING DIFFERENCE IN WAGES AND COST OF PRODUCTION IN BOTH COUNTRIES.

As a prefatory remark it may be stated that the whole agitation of those who are in favor of prohibitive duties is calculated to mislead, under the pretense of protecting national labor.

Mention is only made of the difference in the amount of actual wages, and from this difference a conclusion is drawn as to the comparative cost of production of the finished goods in both countries.

In our age of technic, however, the main work is, and this also refers to the printing branch, done by machinery, and in comparison with the cost of machines, power, lighting, heating, rent, sundries, superintendence, taxes, materials, and freight, to which the expenses for original drawings and manuscripts—and in Germany the costs for insurance of workmen—must be added, it will be at once seen that the actual wages form but a comparatively small proportion of the total cost of production.

It may be important to mention that the taxes in Germany amount to a considerable item, averaging in the principal States 10 to 12 per cent of the net profit. A further considerable increase is under consideration.

The information given by the National Association of Employing Lithographers, regarding the rate of wages usually paid in Germany, is absolutely incorrect and misleading. In order to furnish a correct and indisputable material, the average wages actually paid—the correctness of which can be supported under oath—will be given in form of affidavits by the leading lithographic concerns interested in the export to the United States.

The affidavits will show that German wages, which still have a tendency to rise, are about double as high as stated by the National Association of Employing Lithographers.

Mr. Meyercord's contention (*Tariff Hearings*, No. 11, p. 1039) that wages in America are 41 per cent of the total is wrong as far as this percentage is meant to represent the average share of the total cost of production.

Neither Mr. Meyercord nor any other printer is able to give such an average figure, as for nearly each individual article the percentage of labor widely differs.

The reproduction of a picture lithographed in the best style and printed in a limited edition in a great number of colors will eventually show a much higher percentage of labor than 41 per cent, the cost of material being small; while, on the other hand, for common work such as labels, run in long editions and in a few colors, the percentage of labor is totally different and will be considerably less than 41 per cent. The same especially applies to books which are very heavy and contain more material and a more or less prevailing type part.

Besides, the articles are constantly being changed to meet the requirements of the market, fashion, and taste of the public, and an average figure can only be arrived at for articles manufactured in the past. Such an average figure would not be of the slightest value whatever to gain any correct opinion as to the question under discussion; on the contrary, it could but mislead.

The question to be solved is, whether the American lithographers are, under the existing conditions, unable to compete with the imported articles.

This question can only be answered by tangible evidence.

Such evidence is furnished by the statements made by J. Wolf, jr., Philadelphia (*Tariff Hearings*, No. 11, p. 1057), and other importers, and also by the two letters appended from the American Lithographic Company and the Pittsburgh Decalcomania Company. More will be said of these statements and letters later on.

As further tangible proofs, samples of the principal articles of export will be furnished by the leading German lithographic concerns, in connection with lists

giving the market price of each individual article, together with the percentage of actual cost of labor thereon.

By taking the market price, instead of the cost of production, a smaller percentage of money paid in wages results than is in fact the case. But this course had to be adopted, as it would have been extremely difficult, if not impossible, to obtain from the persons concerned the publication of their actual cost of production.

Such lists, the correctness of which can eventually be proved, will be submitted to the American authorities by the American importers or in some other appropriate manner.

The lists will prove that the total costs of production show no noticeable difference between the two countries. As far as such differences do exist for certain items, they are more than sufficiently compensated by the greater effectiveness of the American workmen and the labor-saving machinery and methods used in the United States, not to mention the existing high duties.

If the American lithographers really wish to make an exact comparison, they ought to furnish authentic lists similar to those made up by the German lithographers.

The information now given regarding the wages paid in America is grouped in such a way as to mislead.

An instance may be seen in the brief of the Association of Employing Lithographers, in which (no doubt in order to attain a higher average) the wages of printers at one, two, and three color rotary presses have been quoted. The number of rotary presses for lithographic work is small in comparison to the number of flat-bed presses; besides, rotary presses are rarely used in Germany, for reasons to be mentioned later on; and even with the present duties productions printed in a few colors on such presses can hardly be exported to America.

Mr. Meyercord makes another misleading and incorrect statement (Tariff Hearings, No. 11, p. 1035) by comparing wages for feeders (female labor) in Germany with the wages for feeders (male labor) in America, though he knows perfectly well that female labor is much less effective and that male feeders are used in America also for other work besides feeding the presses. (Tariff Hearings, No. 43, p. 6306.)

If the amount of actual wages paid in both countries be correctly stated, the conclusions drawn by the National Association of Employing Lithographers become for the most part invalid.

A decisive proof, however, can only be obtained by comparing the actual work performed in Germany and in the United States for the wages paid in each country.

Such an impartial comparison must show the obvious fact that even with much lower duties than the existing ones the American printers are still able to compete.

High wages are paid in the whole American industry. The fact, however, that this does not exclude the ability to compete is proved by the constant enormous increase of the American industry and by the exports of same.

It is a well-known fact, repeatedly stated even by American protectionists at the tariff hearings, that an American workman performs much more than a foreign workman.

Strange to say, Mr. Brasill (Tariff Hearings, No. 11, p. 1148) draws the conclusion that the greater effectiveness of the American workman entitles him to double the amount of protection. It is just the reverse; a much smaller rate of protection is required.

The high wages in the American industry and the large and continually increasing demand have necessarily resulted in expensive hand work being replaced more and more by labor-saving machinery.

An American lithographic steam press prints 5,000 to 7,000 per day against 2,500 to 4,000 of the German steam press.

An American pressman is bound to run two presses when required. In such case he receives extra pay of 40 per cent of the minimum scale price of the extra press which he has to run (see Tariff Hearings, No. 43, p. 6306, sec. 3). In Germany a pressman runs only one machine.

If the German steam presses do not show the same working capacity as the American presses, the reason must be ascribed to the prevailing conditions. Labor is cheaper and there is not sufficient sale for the large editions, as in America.

Roughly speaking, about three-quarters of the German chromolithographic productions goes abroad. For this reason and on account of the high duties in

foreign countries, the necessity arose for the German lithographers to take up the manufacture of certain special articles. The export consists principally of Christmas, birthday, Easter, valentine, postal, and other cards of every sort and style, calendars, picture books, advertising novelties, cigar and other labels, decalcomanias, etc.

There is a constant demand for novelties in these articles, and each year large collections are brought out. The great number of new patterns does not admit of large editions being printed, and as the chief sale is in fall, there is as a rule, no time to print further editions. Moreover, in the case of articles like picture books, decalcomanias, labels, etc., the chances of reprints are very small, owing to insufficient protection of the foreign designs in the United States of America.

American lithographers and publishers enjoy full protection of their designs in Germany, but to the German lithographers and publishers such protection is refused in the United States. The best selling designs are copied and sold much cheaper than the imported goods.

The American lithographers are those who spoil the prices on the American market by copying foreign designs. A chromolithograph, even of the highest technical execution, will not sell unless the design meets the public taste. If a design is new and attractive, it will easily fetch a better price. It is mostly the importers of chromolithographs who have succeeded in satisfying the demand of the American public for such novelties.

The necessity of importing these novelties is created in the same manner as the import of ceramic decalcomania transfers (see Tariff Hearings, No. 12, p. 1373, sec. 4).

But when an imported new pattern had a big success it was almost sure, as already stated, to be copied by American lithographers and thrown on the market at low prices. The imitator had no expense for originals, nor any risk of keeping less salable patterns on hand. He only copied the best patterns, being certain that these would sell. There was only one drawback. He had no expense for originals, but no protection, either. Hence it happened that the imitators were in their turn imitated and undersold. It has even happened that a good pattern has been copied by several lithographers at the same time, with the result of very sharp competition. Such improper and unfair procedure had a highly injurious effect on the whole market. Prices were gradually depressed, even for goods legitimately produced.

Therefore the German import can not have injured the American lithographers; just the contrary may be asserted, and it would be to the advantage of all parties concerned—especially to the American artists—if this unfair state of things, created by lack of protection of foreign designs, were changed.

The fact remains that the American lithographic industry has developed enormously under the existing tariff rates, while the import, consisting chiefly of specialties, is small in comparison with the American production. On the other hand, an increasing export of American lithographic goods is to be recorded.

This export to other countries and also to Germany mainly consists of show-cards, advertising articles, calendars, cigar labels, etc.

In Tariff Hearings, No. 11, page 1058, Mr. Wagner showed some samples of cigar labels, flaps, etc., made by the American Lithographic Company, stating that such goods were sold through their agents in Holland, London, and Hamburg at prices which compete with those of German manufacturers.

The fact of the firm in question having agents abroad, proves that they have full confidence in their ability to compete in the open market, without any protection.

The statement of the American importers of decalcomanias is of special importance with regard to the question of the American printers' ability to compete under the existing rates of duty. All these importers have in course of time found it advantageous to establish factories in the United States, and they are in consequence certainly in favor of duties which give them full protection and which would eventually even make it possible for them to gradually cease importation.

Yet the "committee of importers and manufacturers of decalcomania transfers" expresses itself not only regarding its interests as printers, but also concerning the interests of the American consumers, among whom the potteries stand foremost, as follows:

"While we admit the contention that the domestic producer should be protected as far as possible, the American potters have always looked and are

now looking to the importers for their decorations, for the reason of their variety and their artistic conception, and being the outcome of the combined talents in Europe of artists employed by European decalcomania manufacturers and the foremost European china factories. The ideas and suggestions offered by these foreign artists have enabled the importers of foreign decalcomanias to give to American potters the immediate benefit of European talent and art for application on their own wares, thus enabling the American potter to enter into immediate competition with the imported article."

The brief closes as follows:

"Therefore in conclusion of the above we respectfully beg to submit our argument, resting briefly upon the two facts: First, a printing from a lithographic stone can be nothing but a lithographic print, no matter to what purposes that printing may be applied subsequently to the impressions being taken upon some yielding surface; second, these lithographic prints are the most important and essential raw material solely used by the American pottery manufacturers, and as such should receive a favorable consideration when embodied in a new tariff act."

Palm, Fechteler & Co., New York, also importers of decalcomanias, and at the same time manufacturers of same, express themselves in a similar manner about the necessity of protecting the American consumers. They give a list of factories of decalcomanias, which have been established in the United States within a comparatively short time, and state:

"This list of names will show that all these manufacturers have established themselves in this country and are growing from year to year under the present conditions."

The two above-mentioned briefs differ only inasmuch that the firm of Palm, Fechteler & Co. is in the main in favor of upholding the present rate of duties for decalcomanias, whilst the "committee of importers and manufacturers" confesses to having no aversion to a reduction of the tariff.

The statement of Mr. J. Wolf, jr., of Philadelphia (Tariff Hearings, No. 11, p. 1057-1058) is equally important.

Mr. Wolf, who is one of the largest producers and importers of lithographic goods in America, states, that the American printers turn out work equally as good as foreign printers and can yet sell much cheaper.

In the meantime Mr. Wolf, in connection with a number of other importers, has filed a brief to the "Committee on Ways and Means," asking for a reduction of the present tariff on certain lithographic articles.

The above three statements have been dealt with at length as coming from importers who are at the same time printers, and with whom their interests as American printers must prevail.

As stated by the chairman of the "Committee on Ways and Means," the interests of the American consumers and importers have not received the least consideration from the "National Association of Employing Lithographers" (see Tariff Hearings, No. 11, p. 1038, line 28 to end of page).

As far as importers have defended their endangered interests by means of detailed briefs, they confirm what has been said above, at the same time especially complaining about the imitation of their patterns and the cutting down of prices by American printers.

An importer, Mr. Wagner (see Tariff Hearings, No. 11, p. 1055), has proved that the imported cigar labels, flaps, etc., are more expensive than the American goods, stating at the same time that he gets no repeat orders, because all his good patterns are copied and sold at much lower prices owing to the lack of protection.

As final proof of the capability of the American lithographers to compete, special attention is drawn to the two facsimile copies of letters appended to this memorial.

#### 1. Letter of the Pittsburg China Decalcomania Company.

This firm offers to a pottery in East Liverpool a copied pattern of ceramic transfers—which was originally manufactured by E. Nister, Nuremberg, and supplied to Messrs. Palm, Fechteler & Co., New York, at 25 cents—for 18 cents—that is, roughly 30 per cent cheaper. Regarding the quality the firm writes:

"We venture to say that if you fire that sample you will find it equally good, if not better, than that which you buy from Palm, Fechteler & Co., for which you pay 25 cents."

2. Letter of the American Lithographic Company, New York, to E. Nister, Nuremberg. In this letter the following sentences are of the greatest importance:

"Do you wish to enlarge your business in this country by catering to that much greater number who can not afford to pay the price asked for your regular production? If so, let us point out the way."

"Many European houses have working agreements with houses here to whom they supply transfers on zinc from original drawings on stone; from these transfers for printing are made, large editions printed and sold."

"We feel sure we can be of service to you, making money for you as well as for ourselves."

In this letter the American Lithographic Company, the largest concern of its kind in the United States, offers to a German printing firm the production of American editions, which would be considerably cheaper than the same editions produced at Nuremberg and exported to America. The American Lithographic Company feels certain that both parties would make a good profit on such transactions.

This letter forms a remarkable commentary on and a striking contradiction to the statements made by the same company to the Committee on Ways and Means, asserting that the American duties now in existence are absolutely inadequate. The letter is signed by Mr. Robert M. Donaldson, the same gentleman who, among others, signed the brief of the tariff committee of the National Association of Employing Lithographers.

This letter sufficiently characterizes the credibility of the said committee and its statements regarding the cost of production in Germany and America.

The above particulars in their totality absolutely proved that the American lithographic industry needs neither a higher duty nor even the present rate of duty, and would still be fully able to compete even after a considerable reduction of the same.

## II. THE ALLEGED INCREASED COST OF AMERICAN PRODUCTION THROUGH HIGH DUTIES ON IMPORTED MATERIALS USED.

The brief of the tariff committee, National Association of Employing Lithographers, points to the disadvantage under which the American manufacturers are working, caused through high duties on imported materials such as surface-coated paper, colors, bronze powder, metal, leaf, etc.

If these assertions were really justified, a proposal to abolish or at least reduce the respective duties would seem the most reasonable, as done, for instance, by the Armour Lithographic Company, Pittsburg (see Tariff Hearings, No. 35, p. 5181). The fact alone that no such proposal is made by the National Association of Employing Lithographers proves what the American protectionists are driving at. They simply want to do away with all import, in order to attain, under the protection of high duties and through syndicates or trusts, higher profits at the expense of American consumers.

The export, which the American industry needs to an ever-increasing extent would then be carried on at very low export prices to the injury alike of American consumers and foreign industries, but neither the one nor the other could endure such an injurious and, in the long run, unbearable state of affairs.

The statements referring to the American printing industry being burdened with duties on materials are, moreover, false and misleading, as they would make it appear that the materials in question are on the average increased in price by the amount of duties stated.

The American printing industry employs principally American materials. The most important part of the materials used is paper, which is almost exclusively made in the United States in superior quality and, besides, considerably cheaper than the German article.

Papers which, like decalcomania paper and duplex paper, are partly imported, have also to some extent to be imported into Germany. The import of other materials is small as compared with the large production, and therefore, affects the same only in a small way.

Mr. Meyercord's statement (Tariff Hearings, No. 11, p. 1039) is therefore absolutely wrong and intentionally misleading.

Moreover, and in contradiction to Mr. Meyercord's statement, that the German lithographers are compensated for low export prices by high home prices, the fact may be mentioned that, producing principally for export, this is by no means the case. On the other hand, they have had to struggle in recent times against a considerable rise in prices of materials and labor.

The materials used by German lithographers, such as duplex paper, bookbinders' cloth, silk ribbons, colors, etc., are also partly imported from France and England, and a duty of some importance has to be paid on such imports.

Mr. Meyercord's statement (Tariff Hearings, No. 11, p. 1040, line 22) that materials may be imported into Germany free of duty, provided the articles manufactured therefrom are exported, is also wrong. Such a right is granted in the United States, but not in Germany. Permission must be asked from the German Government in each individual case, but is, as a rule, refused if the German manufacturers of such materials object. Besides there are so many formalities to be gone through and so much time is lost that in the lithographic branch such permission can hardly be taken advantage of.

### III. ASSERTIONS REGARDING ALLEGED INSUFFICIENT RATE OF EXISTING DUTY.

The assertions that the existing rates are insufficient are entirely lacking in proof. The incorrect statements regarding wages and conditions of production in both countries, already referred to, can not be admitted as proof, nor can the absolutely incorrect and misleading figures given by Mr. Meyercord be considered or accepted as such. It is most significant for the position taken up by this gentleman that at the hearings he said:

"I am a free trader above the 51 per cent basis."

The only way to arrive at an indisputable result is by offering tangible proofs. Such convincing proofs as to the extent of the existing and proposed protection will be furnished by the principal importers submitting samples of the leading articles imported within the last few years, together with lists showing the actual amount of specific duties paid under the present tariff, and to be paid if a new tariff, as proposed, should be introduced.

Such material is now submitted by the author of this memorial. The samples represent a large variety of the leading imported articles. Of these but a few can be imported at a lower rate than 25 per cent because the specific duty charges the expensive articles less than the lower priced ones, which are the goods mostly imported. The duty on the bulk of the goods exceeds 25 per cent and runs up to 63 per cent of the actual market value, not to mention the considerable expense for freight and clearing.

This proves that even the existing duties are mostly too high and should be reduced. Such a reduction is urgently needed on children's toy books and booklets under 24 ounces (position 400). In fact the whole existing tariff could bear a considerable reduction without injuring the American industry.

A new tariff, as proposed, would mean an average increase of the duties to more than three times the present amount. The duties would range in the main from 50 to 237 per cent of the market value. This clearly shows that the intention of the American lithographers is to annihilate importation.

In connection with the question of duties, it seems of special importance to draw attention again to the injustice done to the importers of lithographic goods through their designs being copied in America.

In many cases the expenses for originals or manuscripts are very high. These expenses are included in the market price and duty is charged thereon. If, for instance, the market price for an article is \$1 and the originals and designs are included in this price at 25 cents, the unprotected originals (taking an average duty of 35 per cent) are charged about 8½ cents duty.

This is extremely unjust, as duties should be levied only on values which are acknowledged and protected as such in the United States. In consideration of these circumstances, the duties on imported goods are in reality very considerably higher than the tariff shows, and in the instance above given would figure out at about 50 per cent instead of 35 per cent.

Further, a most important point must be mentioned.

The actual protection of the American industry in general is increased far beyond the actual amount of duties, freight, clearing expenses, etc., by the fact that the importer is bound to add an appropriate profit to compensate himself not only on these large outlays, but also on his considerable risks through unsaleable goods and bad debts.

Mr. Meyercord, who certainly is no friend of the importers, backed up this statement by giving the figures of import as about \$7,000,000, including stationery, adding (Tariff Hearings, No. 11, p. 1037): "after duty is paid and the cost of marketing, which is very large, makes it run up to \$11,000,000 to \$12,000,000." This means a protection of from 60 to 70 per cent.

Mr. Meyercord is to be thanked for the above important statement.

The great difference between the American market value and the market value of import as figured by Mr. Meyercord clearly shows to what extent the American lithographers are protected under the present tariff.

By this assertion Mr. Meyercord flatly contradicts another statement of his (Tariff Hearings, No. 11, p. 1040), that the American manufacturer receives only about 19 per cent protection. The above figures of Mr. Meyercord show a protection more than three times as great.

It is also of consequence to say a few words regarding the history of import duties on lithographic goods in the United States.

Prior to the McKinley Act the lithographic goods were imported as "printed matter" with a duty of 25 per cent. The McKinley bill separated the lithographic products and assessed a duty of 35 per cent ad valorem. Yet the American manufacturers were continually complaining of certain importers not paying sufficient duty through undervaluation.

When the Wilson bill came up for discussion, there was a long and bitter struggle concerning the lithographic schedule. Finally, Chairman Jones, at the request of Senator Gorman, notified both the importers and the American manufacturers that they must come together and harmonize on an equitable rate of duty, fair to the principal interests on both sides. The Wilson-Gorman tariff was the result, and the principal parties on both sides signed an agreement in Washington, and their suggested schedule—with certain modifications—was finally passed by Congress.

When the Dingley tariff came up for discussion, the more prominent American manufacturers and importers had a conference in New York and agreed, after considerable discussion, to request Mr. Dingley and the "Ways and Means Committee" to incorporate the Wilson tariff practically as it stood in the new Dingley tariff. This was done with some modifications.

Later, however, there was great dissatisfaction, and the schedule was made and remade a number of times.

After a good deal of bad feeling, and bitterness, and fighting on both sides, the leading American manufacturers and importers met at Washington and signed an agreement to accept the present schedule—paragraphs 398 and 400—as practically satisfactory to the interests concerned.

The American lithographers had very strong influence, and practically had everything that Congress could possibly feel was just, given them in the McKinley, the Wilson, and the Dingley bills.

The agreement made and signed for the Dingley tariff is reported to be still in existence in the hands of the Treasury Department in Washington, or at the appraisers' stores in New York.

This shows that the present schedule is the result of many years' work, dissension, and discussion by all parties concerned.

#### IV. ASSERTIONS REGARDING THE INCREASE IN THE IMPORT OF LITHOGRAPHIC GOODS TO THE UNITED STATES.

The statements of the "National Association of Employing Lithographers" regarding the increase of import are quite as incorrect and misleading as those about wages, cost of material, etc.

In the brief of the "National Association of Employing Lithographers" the import is given as follows:

1899	-----	\$799,475
1907	-----	3,968,542
1908	-----	4,911,102

At the tariff hearings, Mr. Meyercord, of Chicago, gave the figure of imports in 1908 as \$7,000,000, and at another time as \$11,000,000 to \$12,000,000. He was obliged to confess that in the amount of \$7,000,000 he had included the import of paper goods (other than lithographic goods), and that the amount of \$11,000,000 to \$12,000,000 was obtained by taking the American market price.

Mr. Meyercord also brought into comparison with his deceptive statements regarding the amount of imports, the decrease of the American production during the crisis in 1908 by 30 per cent, that is to say, \$25,000,000, whilst the import in 1908 had considerably increased in spite of the crisis.

This means another attempt at deception by a system of wrongly grouped figures, in which the amounts of imports for the years 1900 to 1906 are conspicuous by their absence.

The under-mentioned amounts of all imports from 1899 to 1908 confirm this supposition :

*Imports of lithographic goods into the United States as per American statistics.*

Year.	Total import.	Import from Germany.
1899	\$799,475	.....
1900	905,609	.....
1901	947,631	.....
1902	1,052,966	.....
1903	1,249,733	\$837,690
1904	1,451,491	.....
1905	1,506,723	.....
1906	2,205,921	1,913,402
1907	3,965,542	3,497,795
1908	4,911,102	.....

The share of the imports coming from Germany could not be ascertained for the whole period, and the figures are to be completed.

At all events, the above figures show that a constant and abnormal increase in the import of lithographic goods, as represented by Mr. Meyercord, is imaginary.

Considering the enormous development of the United States within the above-mentioned period, a large increase of imports would only be natural. Yet the figures up to 1906 show rather a decrease, as the imports have only grown, owing to new articles having been added, which, like ceramic decalcomanias, were indispensable for the development of the American potteries, or, like postal cards, met a sudden craze, which could not be satisfied by the American lithographers and is now on the decline.

A large increase of imports is only shown for the two years 1907 and 1908. This increase can only be attributed to the enormous craze for postal cards. The popularity of this article is on the wane, and, accordingly, the imports will soon show a drop.

In the brief handed to the Committee on Ways and Means by Mr. Wickham Smith on behalf of the leading importers, the import of postal cards is mentioned as having been \$3,000,000 within a year, while Mr. Otto Palm (Tariff Hearings, No. 11, p. 1048) gives the imports of decalcomanias as being about \$400,000.

If these amounts are deducted, the importation of regular goods shows only a figure of about \$1,500,000, as against \$799,475 in 1899.

This is certainly not alarming, as Mr. Meyercord, whose figures are grouped in favor of the American lithographers, mentions the American exports of lithographic articles as scarcely exceeding \$1,000,000 a year." (Tariff Hearings, No. 11, p. 1037.)

Mr. Meyercord has evidently found out since that the above figures may be used against him, and gives in Tariff Hearings, No. 43, page 6308, the export figure as being considerably less. He confessed, however, that he had no exact figures.

So far as the imports are concerned the official figures for the years 1899 to 1908 will have to be examined as to how much of the values given fall under the same position for lithographic goods as the importations in 1899.

The proposals of the National Association of Employing Lithographers for increase of duties refer only to lithographic articles. In making a comparison we therefore have only to deal with this part of the imports and further important amounts may have to be deducted from the figures quoted above.

It will be easy to get the correct figures from the American authorities.

The statement that the import in 1908 has considerably increased in spite of the crisis is also misleading. The American fiscal year 1908 runs from July 1, 1907, to the end of June, 1908, and official figures of import for 1908 are therefore affected by orders which were given before the crisis.

The German lithographic industry suffered at least as much from the crisis as the American did; and the German production was in 1908 in an appalling state of depression. Moreover, large amounts of money were lost by German lithographers, owing to American importers (especially of postal cards) not being able to meet their obligations.

In addition to the crisis, the large and growing development of three-color block printing has for a number of years past brought about a falling off in the lithographic branch all over the world. Much work which was formerly done

exclusively by lithography is now done by that process, and this development is sure to increase still more.

Finally, it remains to be said that the statements regarding the amount of the American production, as given by Mr. Meyercord, leave much room for doubt. It is quite impossible to ascertain with exactness the amount of production, and the estimated figure of \$25,000,000 seems to be the result of a valuation just as arbitrary and deceptive as the other statements of Mr. Meyercord.

The positive fact remains that Mr. Meyercord's statement (Tariff Hearings, No. 11, p. 1042) : "In twelve years American lithography has advanced possibly 20 per cent and the imported products 1,000 per cent in the same time," is absolutely untrue.

#### V. ALLEGED HARM DONE TO AMERICAN MANUFACTURERS THROUGH UNDERRVALUATION.

Incorrect declarations can hardly be prevented and will certainly occur if duties are high. This should be no reason for increasing the duties.

In the lithographic trade the determination of the real value of an article is very difficult, in fact, nearly impossible. The cost of originals and plates is an important part of the cost of production, and the value of an original painting especially may be very high, according to the artist's standing. These primary costs are then spread over the entire edition, and, according to the quantity printed, enormous differences in the price may arise. If, for instance, originals and plates for a particular work cost \$500, the share per copy of an edition of 1,000 copies would be 50 cents, while for an edition of 50,000 this share would drop down to 1 cent per copy. This fact may have led to many difficulties with the customs, without there being any incorrect procedure on the part of the importers.

For these reasons the importers are as far as possible in favor of specific duties, which make incorrect valuation impossible.

As far as goods assessed ad valorem are concerned, the large majority of importers no doubt declare correctly.

The author of the above statements has been since 1886 interested to a considerable degree in the export to the United States. During this great number of years he has never experienced even the slightest difficulties with the American customs.

PITTSBURG, PA., September 9, 1904.

KNOWLES, TAYLOR & KNOWLES,  
East Liverpool, Ohio.

GENTLEMEN: We are in receipt of your letter of September 7. We are also surprised, as well as yourselves, at the tone of your letter. We first desire to remind you of a fact that no doubt is well known, that the practice of copying is universal, not only with the decalcomania people but with the potters as well. We do not deny that we copied this pattern, and we sent it to you for the purpose of informing you that we had copied it; and the reason why we did copy it was because your purchase is from foreign manufacturers, and foreign manufacturers as a whole, without any exceptions, are making a strenuous effort to drive American manufacturers out of the market. You will no doubt recall that before decalcomania was successfully made in America that you paid a great deal more money for designs than you do now, and the foreign makers even go so far now as to cut their old prices in two, with the deliberate intent to drive out the American trade, and then, of course, you would be held up again for high rates. Isn't it true, gentlemen, that American potters like to keep out foreign trade in the manufacture of china ware? The same principle holds good with all other manufacturers.

With regard to the character of the goods, we will give you the benefit of forming your conclusions without a fired test and possibly hasty decision. We venture to say that if you fire that sample you will find it equally as good, if not better, than that which you buy from Palm Fletcher for which you pay 25 cents. We offer it to you for 18 cents, and yet it seems, because we are trying to benefit you, that you enter into a spirit of abuse; this is certainly very ungrateful. We desire to say that we are in a position to make just as good goods as is made any place, and our experience in the trade proves that fact; that within the last year or two we have perfected the manufacture to such an extent that even the foreigners admit that we are strong competitors.

There is one paragraph that I would like you to examine. Kindly advise us wherein we are not doing a legitimate business. Did you ever hear of us in any connection doing anything but a legitimate business? If you call copying a pattern illegitimate, that is so common, not only at home but abroad, that it certainly ought not to be taken into consideration; in fact, we kept out of the copying business for several years, until we found it was so universal that we had to adopt it as well as others. We write this in a spirit of friendship and fairness, and trust you will consider it in the same light.

Yours, very truly,

PITTSBURG CHINA DECALCOMANIA COMPANY.  
R. F. BLAIR.

SALES DEPARTMENT AMERICAN LITHOGRAPHIC COMPANY,  
NINETEENTH STREET AND FOURTH AVENUE,  
*New York, November 1, 1904.*

DEAR SIR: We note that the sale of your picture books in this country is through Messrs. E. P. Dutton & Co., a most responsible and reliable house, who deal in high-class productions only; therefore of necessity the sale is limited.

Do you wish to enlarge your business in this country by catering to that much greater number who can not afford to pay the price asked for your regular productions? If so, let us point the way.

Many European publishing houses have working agreements with houses here to whom they supply transfers on zinc from original drawings on stone. From these, transfers for printing are made and large editions printed and sold. If your agreement with the Messrs. Dutton permit you to entertain this proposition on current or new publications, we could print editions de luxe for the Messrs. Dutton, while at the same time we could print large editions for a distributing house whose trade would in no wise conflict with that of Messrs. Dutton.

Should your agreement with Messrs. Dutton prevent your doing anything with us on current or new publications, you must have a very large number of drawings on stone of old publications which could be utilized.

We feel sure that we can be of service to you, making money for you as well as ourselves, and will be glad to hear from you at your earliest convenience, for if there is anything to be done during the next year samples would have to be out early in the year.

Sincerely, yours,

AMERICAN LITHOGRAPHIC COMPANY,  
By ROBERT M. DONALDSON, Vice-President.

SUPPLEMENT TO THE MEMORIAL ON TARIFF HEARINGS BEFORE THE COMMITTEE ON  
WAYS AND MEANS REGARDING DUTY ON LITHOGRAPHIC PRODUCTIONS.

No. 45 of the Tariff Hearings contains, on pages 6590 to 6598, briefs of the Detroit Publishing Company and of the Rose Company, Philadelphia, asking for an increase of duty on post and greeting cards. These briefs can not remain uncontradicted.

Besides those assertions regarding difference of wages and prices of materials already made by other parties, and which the memorial has proved to be incorrect, the following assertions are made in justification of the proposed increase of duty:

1. That the business in post cards was developed at great expense by American lithographers, but later, after commencing to gain importance, was taken out of their hands through the import of foreign goods.
  2. That the original designs cost four to five times as much in the United States as abroad.
  3. That the expenses and formalities of copyright, to protect designs against stealing, are saved by the foreign lithographers.
  4. That the American lithographers have only a home market, and can therefore only print smaller, and consequently more expensive, editions.
  5. That the foreign lithographers steal the designs of the American lithographers—as proved by five samples submitted—owing to the existing laws in foreign countries not affording sufficient protection.
- It is difficult to confine oneself to the use of parliamentary expressions in repulsing the above five assertions, and one is compelled to declare that they are gross falsehoods.

The pictorial post card was invented in Europe and extensively used there many years before Americans took up this article, the importers being the first to develop it. Pictorial post cards became a fashion, and as the American lithographers were unable to meet the enormous demand for novelties the import of this article increased rapidly.

At the same time, however, the American lithographers by no means lost through this import. They took part in the manufacture of the new article, and as it did not compete with any existing article an increased return was the result.

The alleged higher costs of American originals can by no means have hindered the development of the manufacture of post cards in the United States, as an experience of many years proves that originals are cheaper in the United States than in Europe.

If the American lithographers had shown greater activity in supplying the market with novel and attractive designs (the production of which is an absolute necessity for such an article), their share of this business might have been much larger.

Unfortunately, most of the American lithographers have taken advantage of the fact that foreign designs are unprotected in the United States, and, instead of creating their own patterns, have copied foreign designs, thereby also injuring the interests both of the American artists and the American market.

The injustice done to the foreign lithographers through this proceeding, and the injurious consequences created by this state of affairs, even for the legitimate American trade, are exhaustively treated in the memorial (p. 4, secs. 7-15, and p. 9, secs. 3-5).

If the formalities necessary for the protection of copyrights do molest the American lithographers, the only correct remedy would be a proposal to change the American copyright laws and to join the "Berne convention."

Moreover, the foreign lithographers would gladly bear the expenses of the said American formalities, if they could only obtain protection of their designs in the United States. Such protection, however, is denied to the foreign lithographer, whilst, on the other hand, the American lithographers enjoy full protection of their designs abroad, and especially in Germany, without any expense or formalities at all.

As regards the alleged imitation of five designs, the owner of these has the right to proceed legally against the imitator, and will have the German copyright law, which has even been extended since 1907, on his side. On the other hand, many thousands of German designs, imitated in the United States with impunity, can be submitted, the American laws affording no protection against such piracies.

If the American lithographers copy foreign designs they must, as a matter of course, restrict the sale of these to their home market.

The small number of American lithographers who publish their own designs are doing a good and remunerative business all over the world, which fact is proved by the adjoined 33 samples of postal cards bought in German and English retail stores:

*Patterns 1-6.*—Copyright by Campbell Art Company; published by Reinthal & Newman.

*Patterns 7-16.*—Copyright by Charles Scribner's Sons; published by Reinthal & Newman.

*Patterns 17-21.*—Copyright by Archie Gunn; published by Taylor, Platt & Co.

*Patterns 22-33.*—Copyright by Philip Boileau; published by Reinthal & Newman.

Besides, attention must be drawn to the fact that the above-mentioned falsehoods are in contradiction with other assertions contained in the two briefs. The whole arguments in favor of an increase of duty are based upon the assertion that the American lithographers would be able to produce the same articles in the same good quality as the foreign manufacturers if the low prices of the imported goods did not hinder the development of the American production. A direct contradiction to this will be found in Tariff Hearings No. 45, page 6597, section 8, which says that the American Government would not be a loser through an increase of duty, because, irrespective of price, the import of good and attractive designs would still be continued.

It is a fact that pictorial post cards can not be considered as articles of necessity, and only find a market through being novel and attractive. It is by no means the cheapness alone that influences the sale, and as the proposers of higher duties assert their ability to compete in quality with the foreign manufacturers, whilst—as already pointed out in the memorial—the American lithog-

rappers are constantly proving their ability to compete in price by underselling the importers, all grounds for their complaints become invalid.

If the American lithographers would confine themselves to the production of original and attractive designs, which they could easily do by acquiring suitable originals, even abroad, they could do a much larger trade.

Instead of this, all the endeavors of the American protectionists point to their intention of continuing the copying of foreign samples and annihilating importation, thereby making higher profits at the expense of the consumers. The realization of these endeavors could hardly mean a permanent advantage to the American lithographers, for the quickly growing competition and the establishing of branch houses of foreign lithographic concerns would soon put an end to such a state of affairs.

*Statement of the average weekly wages paid to the whole staff of employees at Leipzig.*

Occupation.	Number of workers.	Total pay per week.	Contributions for laborer insurance.	Total expenditures.	Hours of work per week.	Average wages per laborer per week.
		Marks.	Marks.	Marks.		Marks.
I. Professional workers:						
Master machinists.....						
Transferrers and pantographers.....						
Pressmen.....	5	178.79	2.67	181.46	54	36.30
Lithographers.....	37	1,274.81	17.82	1,292.63	48	34.95
II. Assistants:						
(a) Male—						
Skilled help, such as bookbinders, stampers, polishers, label cutters, machine tenders, etc.....	{ 2	44.12	.82	44.94	54	22.47
Unskilled help, such as package carriers, color mixers, stokers, etc.....	1	30.05	.53	30.58	54	30.58
(b) Female—						
Skilled help, such as feeders, stampers, sprinklers, and diesinkers.....						
Unskilled help, such as sheet catchers, assorters, and all workers in the bookbindery and make-ready section.....						

(Signature.)

LEIPZIG, January 15, 1909.

*Statement of the average weekly wages paid to the whole staff of employees at Nuremberg.*

Occupation.	Number of workers.	Total pay per week.	Contributions for laborer insurance.	Total expenditures.	Hours of work per week.	Average wages per laborer per week.
		Marks.	Marks.	Marks.		Marks.
I. Professional workers:						
Master machinists.....	13	512.85	11.30	524.15	9	40.32
Transferrers and pantographers.....	18	534.90	12.40	547.30	9	30.40
Pressmen.....	6	204.18	4.74	208.92	9	34.82
Lithographers.....	14	442.44	10.05	452.49	8	32.32
II. Assistants:						
(a) Male—						
Skilled help, such as bookbinders, stampers, polishers, label cutters, machine tenders, etc.....	12	293.49	7.54	301.03	9	25.08
Unskilled help, such as package carriers, color mixers, stokers, etc.....						
(b) Female—						
Skilled help, such as feeders, stampers, sprinklers, and diesinkers.....	25	288.40	8.59	296.99	9	11.88
Unskilled help, such as sheet catchers, assorters, and all workers in the bookbindery and make-ready section.....	71	656.11	20.49	676.60	9	9.53

(Signature.)

NUREMBERG, January 19, 1909.

*Statement of the average weekly wages paid to the whole staff of employees at Reinickendorf-Ost.*

Occupation.	Number of workers.	Total pay per week.	Contributions for laborer insurance.	Total expenditures.	Hours of work per week.	Average wages per laborer per week.
I. Professional workers:						
Master machinists.....	18	924.50	8.13	932.63	54	51.81
Transferrers and pantographers.....	23	734.24	13.11	747.35	54	32.50
Pressmen.....	16	494.00	9.12	503.12	54	31.44
Lithographers.....	56	1,981.86	26.85	2,008.71	48	35.87
Printers.....	2	57.72	1.14	58.86	54	29.43
II. Assistants:						
(a) Male—						
Skilled help, such as bookbinders, stampers, polishers, label cutters, machine tenders, etc.....	50	1,597.96	28.21	1,626.17	54	32.52
Unskilled help, such as package carriers, color mixers, stokers, etc.....	24	648.44	14.39	662.83	54	27.61
(b) Female—						
Skilled help, such as feeders, stampers, sprinklers, and die-sinkers.....	109	1,863.65	42.25	1,905.90	54	17.48
Unskilled help, such as sheet catchers, assorters, and all workers in the bookbindery and make-ready section.....	73	1,028.64	27.75	1,056.39	54	14.47

(Signature.)

JANUARY 20, 1909.

*Statement of the average weekly wages paid to the whole staff of employees at Nuremberg.*

Occupation.	Number of workers.	Total pay per week.	Contributions for laborer insurance.	Total expenditures.	Hours of work per week.	Average wages per laborer per week.
I. Professional workers:						
Master machinists.....	15	505.68	10.03	515.71	54	36.85
Transferrers and pantographers.....	13	407.44	8.44	415.88	54	34.65
Pressmen.....	4	119.60	2.72	122.32	54	30.60
Lithographers.....	28	878.11	18.77	896.88	48	33.20
II. Assistants:						
(a) Male—						
Skilled help, such as bookbinders, stampers, polishers, label cutters, machine tenders, etc.....	13	309.20	8.35	317.55	54	24.40
Unskilled help, such as package carriers, color mixers, stokers, etc.....	3	75.72	1.95	77.67	54	25.90
(b) Female—						
Skilled help, such as feeders, stampers, sprinklers, and die-sinkers.....	24	301.39	9.48	310.87	54	12.95
Unskilled help, such as sheet catchers, assorters, and all workers in the bookbindery and make-ready section.....	81	822.63	27.61	850.24	54	10.50

(Signature.)

NUREMBERG, January 21, 1909.

*Statement of the average weekly wages paid to the whole staff of employees at Crefeld.*

Occupation.	Number of workers.	Total pay per week.	Contributions for laborer insurance.	Total expenditures.	Hours of work per week.	Average wages per laborer per week
I. Professional workers:						
Master machinists .....	11	372.60	6.38	378.98	52½	34.45
Transferrers and pantographers .....	10	306.10	5.80	311.90	52½	31.20
Pressmen .....	1	30.90	.58	31.50	52½	31.50
Lithographers .....	10	415.82	5.80	421.62	46½	42.16
II. Assistants:						
(a) Male—						
Skilled help, such as bookbinders, stampers, polishers, label cutters, machine tenders, etc .....	11	330.20	6.38	336.58	55½	30.60
Unskilled help, such as package carriers, color mixers, stokers, etc .....	17	474.80	9.86	484.66	55½	28.50
(b) Female—						
Skilled help, such as feeders, stampers, sprinklers, and die sinkers .....	28	380.00	9.52	389.50	55½	13.90
Unskilled help, such as sheet catchers, assorters, and all workers in the bookbindery and make-ready section .....	90	900.00	27.00	927.00	55½	10.30

(Signature.)

CREFELD, January 21, 1909.

*Statement of the average weekly wages paid to the whole staff of employees at Leipzig.*

Occupation.	Number of workers.	Total pay per week.	Contributions for laborer insurance.	Total expenditures.	Hours of work per week.	Average wages per laborer per week.
I. Professional workers:						
Master machinists .....	10	387.75	6.20	393.95	.....	39.40
Transferrers and pantographers .....	11	540.07	6.82	546.89	.....	49.72
Pressmen .....	18	542.58	10.87	553.45	.....	30.75
Lithographers .....	11	374.52	6.79	381.31	.....	34.66
II. Assistants:						
(a) Male—						
Skilled help, such as bookbinders, stampers, polishers, label cutters, machine tenders, etc .....	1	31.20	.62	31.82	.....	31.82
Unskilled help, such as package carriers, color mixers, stokers, etc .....	6	99.84	2.51	102.35	.....	17.06
(b) Female—						
Skilled help, such as feeders, stampers, sprinklers, and die sinkers .....	23	241.28	7.85	249.13	.....	10.83
Unskilled help, such as sheet catchers, assorters, and all workers in the bookbindery and make-ready section .....	4	43.68	1.40	45.08	.....	11.27

(Signature.)

LEIPZIG, January 22, 1909.

*Statement of the average weekly wages paid to the whole staff of employees at Dresden.*

Occupation.	Number of workers.	Total pay per week.	Contributions for laborer insurance.	Total expenditures.	Hours of work per week.	Average wages per laborer per week.
I. Professional workers:		<i>Marks.</i>	<i>Marks.</i>	<i>Marks.</i>		<i>Marks.</i>
Master machinists.....	18	605.65	12.41	618.06	53½	34.33
Transferrers and pantographers.....	21	628.75	13.68	642.43	53½	30.59
Pressmen.....	2	63.20	1.36	64.56	53½	32.28
Lithographers.....	18	582.63	11.44	594.07	48	33.00
II. Assistants:						
(a) Male—						
Skilled help, such as bookbinders, stampers, polishers, label cutters, machine tenders, etc.....	34	803.05	18.68	821.73	53½	24.17
Unskilled help, such as package carriers, color mixers, stokers, etc.	18	356.72	8.58	365.30	53½	20.30
(b) Female—						
Skilled help, such as feeders, stampers, sprinklers, and die sinkers.....	29	368.16	9.51	377.67	53½	13.02
Unskilled help, such as sheet catchers, assorters, and all workers in the bookbindery and make-ready section.....	85	788.32	22.08	809.40	53½	9.52

(Signature.)

DRESDEN, January 18, 1909.

*Statement of the average weekly wages paid to the whole staff of employees at Dresden.*

Occupation.	Number of workers.	Total pay per week.	Contributions for laborer insurance.	Total expenditures.	Hours of work per week.	Average wages per laborer per week.
I. Professional workers:		<i>Marks.</i>	<i>Marks.</i>	<i>Marks.</i>		<i>Marks.</i>
Master machinists.....	8	302.31	5.64	307.95	51	38.50
Transferrers and pantographers.....	12	405.33	8.21	413.54	51	34.46
Pressmen.....	5	142.02	3.16	145.18	51	29.00
Lithographers.....	49	1,831.40	32.32	1,863.72	48	38.00
II. Assistants:						
(a) Male—						
Skilled help, such as bookbinders, stampers, polishers, label cutters, machine tenders, etc.....	13	350.40	7.45	357.85	51	27.50
Unskilled help, such as package carriers, color mixers, stokers, etc.....	4	79.90	1.90	81.80	51	20.45
(b) Female—						
Skilled help, such as feeders, stampers, sprinklers, and die sinkers.....	10	125.43	3.20	128.63	51	12.86
Unskilled help, such as sheet catchers, assorters, and all workers in the bookbindery and make-ready section.....	16	176.70	4.60	181.30	51	11.35

(Signature.)

*Statement of the average weekly wages paid to the whole staff of employees, exclusive of apprentices and youthful workers, at Leipzig.*

Occupation.	Number of workers.	Total pay per week.	Contri- butions for la- borer in- surance.	Total expendi- tures.	Hours of work per week.	Average wages per laborer per week.
I. Professional workers:						
Master machinists.....	12	Marks. 396.78	Marks. 8.61	Marks. 405.39	54	Marks. 33.78
Transferrers and pantographers.....	11	344.78	7.59	352.37	54	32.03
Pressmen.....	2	61.36	1.41	62.77	54	31.39
Lithographers.....	4	122.22	2.68	124.90	48	31.23
II. Assistants:						
(a) Male—						
Skilled help, such as bookbinders, stampers, polishers, label cut- ters, machine tenders, etc.....	10	283.40	6.63	290.03	54	29.00
Unskilled help, such as package carriers, color mixers, stokers, etc.....	5	108.16	2.76	110.92	54	22.18
(b) Female—						
Skilled help, such as feeders, stampers, sprinklers, and die sinkers.....	29	387.96	9.96	397.92	54	13.72
Unskilled help, such as sheet catchers, assorters, and all workers in the bookbindery and make- ready section.....	51	525.13	15.45	540.58	54	10.60

(Signature.)

LEIPZIG, January 16, 1909.

*Statement of the average weekly wages paid to the whole staff of employees at Leipzig.*

Occupation.	Number of workers.	Total pay per week.	Contri- butions for la- borer in- surance.	Total expendi- tures.	Hours of work per day.	Average wages per laborer per week.
I. Professional workers:						
Master machinists.....	30	Marks. 1,189.55	Marks. 32.40	Marks. 1,221.95	8½	Marks. 40.75
Transferrers.....	44	1,407.18	47.52	1,454.70	8½	33.06
Photographers and pantographers.....	41	1,484.18	44.28	1,528.46	8	37.28
Lithographers.....	46	1,800.45	49.68	1,850.13	8	40.22
II. Assistants:						
(a) Male—						
Skilled help, such as bookbinders, stampers, polishers, label cut- ters, machine tenders, etc.....	15	417.36	9.15	426.51	9	28.43½
Unskilled help, such as package carriers, color mixers, stokers, etc.....	14	310.30	7.00	317.30	9	22.66
(b) Female—						
Skilled help, such as feeders, stampers, sprinklers, and die sinkers.....	38	498.60	12.92	511.52	9	13.46
Unskilled help, such as sheet catchers, assorters, and all work- ers in the bookbindery and make-ready section.....	73	714.75	21.17	735.92	9	10.08

(Signature.)

*Statement of the average weekly wages paid to the whole staff of employees at Rheydt.*

Occupation.	Number of workers.	Total pay per week.	Contri- butions for la- borer in- surance.	Total expendi- tures.	Hours of work per week.	Average wages per laborer per week.
I. Professional workers:		<i>Marks.</i>	<i>Marks.</i>	<i>Marks.</i>		<i>Marks.</i>
Master machinists.....	37	1,115	26	1,141	54	30.83
Transferrers and pantographers.....	30	918	23	941	54	31.36
Press starters.....	5	156	5	161	54	32.20
Lithographers.....	48	1,553	40	1,653	48	34.43
II. Assistants:						
(a) Male—						
Skilled help, such as bookbinders, stampers, polishers, label cut- ters, machine tenders, etc.....	99	2,296	58	2,354	55	23.77
Unskilled help, such as package carriers, color mixers, stokers, etc.....	117	1,832	45	1,877	55	16.00
(b) Female—						
Skilled help, such as feeders, stampers, sprinklers, and die sinkers.....	76	1,030	26	1,006	55	13.90
Unskilled help, such as sheet catchers, assorters, and all work- ers in the bookbindery and make-ready section.....	44	505	12	517	55	11.75

(Signature.)

JANUARY 22, 1909.

*Statement of the average weekly wages paid to the whole staff of employees at Berlin.*

Occupation.	Number of workers.	Total pay per week.	Contri- butions for la- borer in- surance.	Total expendi- tures.	Hours of work per week.	Average wages per laborer per week.
I. Professional workers:		<i>Marks.</i>	<i>Marks.</i>	<i>Marks.</i>		<i>Marks.</i>
Master machinists.....	8	328.50	4.64	333.14	54	41.64
Transferrers and pantographers.....	7	200.00	4.06	204.06	54	29.14
Pressmen.....	2	67.50	1.11	68.61	54	34.31
Lithographers.....	35	1,250.20	20.30	1,270.50	48	36.30
II. Assistants:						
(a) Male—						
Skilled help, such as bookbinders, stampers, polishers, label cut- ters, machine tenders, etc.....	14	377.22	6.72	383.94	54	27.42
Unskilled help, such as package carriers, color mixers, stokers, etc.....	12	225.00	5.76	230.76	54	19.23
(b) Female—						
Skilled help, such as feeders, stampers, sprinklers, and die sinkers.....	81	1,350.85	29.16	1,380.01	54	17.03
Unskilled help, such as sheet catchers, assorters, and all work- ers in the bookbindery and make-ready section.....	49	616.77	17.64	634.41	54	12.94

(Signature.)

BERLIN, January 18, 1909.

*Statement of the average weekly wages paid to the whole staff of employees at Leipzig.*

Occupation.	Number of workers.	Total pay per week.	Contributions for laborer insurance.	Total expenditures.	Hours of work per week.	Average wages per laborer per week.
I. Professional workers:						
Master machinists.....	11	467.68	12.13	479.81	50½	43.62
Transferrers and pantographers.....	7	278.95	8.71	287.66	50½	41.10
Pressmen.....	{ 2	57.18	1.83	59.01	50½	29.50
Lithographers.....	{ 8	510.34	8.43	518.77	47½	64.84
II. Assistants:	19	714.05	19.86	733.91	47½	38.63
(a) Male—						
Skilled help, such as bookbinders, stampers, polishers, label cutters, machine tenders, etc.....	5	149.98	4.72	154.70	50½	30.94
Unskilled help, such as package carriers, color mixers, stokers, etc.....	3	73.18	2.37	75.55	50½	25.18
(b) Female—						
Skilled help, such as feeders, stampers, sprinklers, and die sinkers.....	13	163.56	5.77	169.33	50½	13.02
Unskilled help, such as sheet catchers, assorters, and all workers in the bookbindery and make-ready section.....	11	113.22	4.56	117.78	50½	10.70

(Signature.)

LEIPZIG, January 22, 1909.

*Statement of the average weekly wages paid to the whole staff of employees at Nuremberg.*

Occupation.	Number of workers.	Total pay per week.	Contributions for laborer insurance.	Total expenditures.	Hours of work per week.	Average wages per laborer per week.
I. Professional workers:						
Master machinists.....	12	490.65	8.52	499.17	53½	41.60
Transferrers and pantographers.....	13	410.30	8.53	419.13	53½	32.25
Pressmen.....	4	124.84	2.71	127.55	53½	30.90
Lithographers.....	19	700.48	12.17	712.65	48	37.50
II. Assistants:						
(a) Male—						
Skilled help, such as bookbinders, stampers, polishers, label cutters, machine tenders, etc.....	10	239.12	6.08	245.20	53½	24.50
Unskilled help, such as package carriers, color mixers, stokers, etc.....	8	136.61	3.77	140.38	53½	17.55
(b) Female—						
Skilled help, such as feeders, stampers, sprinklers, and die sinkers.....	20	228.70	6.87	235.57	53½	.75
Unskilled help, such as sheet catchers, assorters, and all workers in the bookbindery and make-ready section.....	71	671.67	21.58	693.25	53½	9.75

(Signature.)

NUREMBERG, January 16, 1909.

*Statement of the average weekly wages paid to the whole staff of employees at Nuremberg.*

Ocuation.	Number of workers.	Total pay per week.	Contri- butions for la- borer in- surance.	Total expendi- tures.	Hours of work per week.	Average wages per laborer per week.
I. Professional workers:		<i>Marks.</i>	<i>Marks.</i>	<i>Marks.</i>		<i>Marks.</i>
Master machinists.....	22	877.77	12.82	890.59	54	40.48
Transferrers and pantographers.....	32	972.38	19.84	992.22	54	31.01
Pressmen.....	15	467.15	8.77	475.92	54	31.73
Lithographers.....	53	2,080.53	30.18	2,110.71	48	39.82
II. Assistants:						
(a) Male—						
Skilled help, such as bookbinders, stampers, polishers, label cut- ters, machine tenders, etc.....	41	1,163.46	24.94	1,188.40	54	29.00
Unskilled help, such as package carriers, color mixers, stokers, etc.....	21	442.66	12.93	455.59	54	21.70
(b) Female—						
Skilled help, such as feeders, stampers, sprinklers, and die sinkers.....	41	488.87	17.22	506.09	54	12.34
Unskilled help, such as sheet catchers, sorters, and all workers in the bookbindery and make-ready section.....	153	1,447.87	55.28	1,503.15	54	9.82

(Signature.)

NUREMBERG, January 19, 1909.

*Statement of the average weekly wages paid to the whole staff of employees at ——.*

Ocuation.	Number of workers.	Total pay per week.	Contri- butions for la- borer in- surance.	Total expendi- tures.	Hours of work per week.	Average wages per laborer per week.
I. Professional workers:		<i>Marks.</i>	<i>Marks.</i>	<i>Marks.</i>		<i>Marks.</i>
Master machinists.....	15	494.55	10.60	505.15	54	33.70
Transferrers and pantographers.....	14	396.79	9.57	406.36	54	29.00
Pressmen.....	10	253.84	6.05	259.89	54	26.00
Lithographers.....	25	906.00	17.10	923.10	48	36.90
II. Assistants:						
(a) Male—						
Skilled help, such as bookbinders, stampers, polishers, label cut- ters, machine tenders, etc.....	16	435.92	11.27	447.19	54	27.95
Unskilled help, such as package carriers, color mixers, stokers, etc.	9	198.00	5.26	203.26	54	22.60
(b) Female—						
Skilled help, such as feeders, stampers, sprinklers, and die sinkers.....	35	482.00	13.75	495.75	54	14.15
Unskilled help, such as sheet catchers, sorters, and all workers in the bookbindery and make-ready section.....	26	290.00	8.82	298.82	54	11.50

(Signature.)

JANUARY 21, 1909.

*Statement of the average weekly wages paid to the whole staff of employees at Detmold.*

Oeeupation.	Number of workers.	Total pay per week.	Contri- butions for la- borer in- surance.	Total expendi- tures.	Hours of work per week.	Average wages per laborer per week.
I. Professional workers:						
Master machinists.....	32	Marks. 1,215.89	Marks. 17.27	Marks. 1,233.16	8 $\frac{3}{4}$	38.54
Transferrers and pantographers.....	34	995.30	17.36	1,012.66	8 $\frac{3}{4}$	29.78
Pressmen.....	6	189.27	7.21	196.48	8 $\frac{3}{4}$	32.75
Lithographers.....	20	650.55	9.69	660.24	8	33.01
II. Assistants:						
(a) Male—						
Skilled help, such as bookbinders, stampers, polishers, label cut- ters, machine tenders, etc.....	33	953.63	16.15	969.78	8 $\frac{3}{4}$	29.39
Unskilled help, such as package carriers, color mixers, stokers, etc.....	41	789.83	14.87	804.70	8 $\frac{3}{4}$	19.63
(b) Female—						
Skilled help, such as feeders, stampers, sprinklers, and die- sinkers.....	61	869.80	19.54	889.34	8 $\frac{3}{4}$	14.58
Unskilled help, such as sheet catchers, assorters, and all work- ers in the bookbindery and make-ready section.....	89	1,064.39	25.44	1,089.83	8 $\frac{3}{4}$	12.25

(Signature.)

DETMOLD, January 26, 1909.

*Statement of the average weekly wages paid to the whole staff of employees at Berlin.*

Occupation.	Number of workers.	Total pay per week.	Contri- butions for la- borer in- surance.	Total expendi- tures.	Hours of work per week.	Average wages per laborer per week.
I. Professional workers:						
Master machinists.....	8	Marks. 407.60	Marks. 4.64	Marks. 412.24	54	51.53
Transferrers and pantographers.....	9	311.80	5.22	317.02	54	35.22
Pressmen.....	3	119.30	1.94	121.24	54	40.41
Lithographers.....	44	1,864.15	25.28	1,889.43	54	42.95
II. Assistants:						
(a) Male—						
Skilled help, such as bookbinders, stampers, polishers, label cut- ters, machine tenders, etc.....	27	1,020.18	14.85	1,035.03	54	38.24
Unskilled help, such as package carriers, color mixers, stokers, etc.....	13	288.14	6.33	294.47	54	22.65
(b) Female—						
Skilled help, such as feeders, stampers, sprinklers, and die- sinkers.....	42	819.14	15.32	834.46	54	19.90
Unskilled help, such as sheet catchers, assorters, and all work- ers in the bookbindery and make-ready scetion.....	87	1,382.43	21.18	1,403.61	54	16.13

(Signature.)

BERLIN, January 20, 1909.

*Statement of the average weekly wages paid to the whole staff of trained employees at Leipzig.*

Oeeupation.	Number of workers.	Total pay per week.	Contri- butions for la- borer in- suranec.	Total expendi- tures.	Hours of work per week.	Average wages per laborer per week.
I. Professional workers:		<i>Marks.</i>	<i>Marks.</i>	<i>Marks.</i>		<i>Marks.</i>
Master machinists.....	20	723.22	15.91	739.13	53 $\frac{1}{2}$	36.96
Transferrers and pantographers.....	28	925.98	20.37	946.35	53 $\frac{1}{2}$	33.80
Pressmen.....	11	343.72	7.56	351.28	53 $\frac{1}{2}$	31.93
Lithographers.....	45	1,665.93	36.65	1,702.58	48	37.82
II. Assistants:						
(a) Male—						
Skilled help, such as bookbinders, stampers, polishers, label cutters, machine tenders, etc.....	43	1,211.65	26.66	1,238.31	53 $\frac{1}{2}$	28.80
Unskilled help, such as package carriers, color mixers, stokers, etc.	14	350.22	7.70	357.92	53 $\frac{1}{2}$	25.57
(b) Female—						
Skilled help, such as feeders, stampers, sprinklers, and die sinkers.....	68	956.79	21.05	977.84	53 $\frac{1}{2}$	14.36
Unskilled help, such as sheet catch- ers, assorters, and all workers in the bookbindery and make-ready section.....	137	1,767.08	38.88	1,805.96	53 $\frac{1}{2}$	13.18

(Signature.)

LEIPZIG, January 23, 1909.

*Statement of the average weekly wages paid to the whole staff of employees at Berlin.*

Oeeupation.	Number of workers.	Total pay per week.	Contri- butions for la- borer in- surance.	Total expendi- tures.	Hours of work per week.	Average wages per laborer per week
I. Professional workers:		<i>Marks.</i>	<i>Marks.</i>	<i>Marks.</i>		<i>Marks.</i>
Master machinists.....	21	993.65	28.20	1,021.85	53	48.65
Transferrers and pantographers.....	20	721.56	27.00	748.56	53	37.44
Pressmen.....	13	434.05	18.43	452.48	53	34.80
Lithographers.....	54	2,196.40	74.73	2,271.13	48	42.05
II. Assistants:						
(a) Male—						
Skilled help, such as bookbinders, stampers, polishers, label cutters, machine tenders, etc.....	35	1,281.45	34.85	1,316.30	53	37.60
Unskilled help, such as package carriers, color mixers, stokers, etc.....	32	790.80	28.02	818.10	53	25.55
(b) Female—						
Skilled help, such as feeders, stampers, sprinklers, and die sinkers.....	60	1,307.70	31.30	1,339.00	52	22.31
Unskilled help, such as sheet catch- ers, assorters, and all workers in the bookbindery and make-ready section.....	96	1,395.75	54.21	1,449.96	52	15.10

(Signature.)

BERLIN, January 23, 1909.

*Statement of the average weekly wages paid to the whole staff of employees at Dresden.*

Occupation.	Number of workers.	Total pay per week.	Contri- butions for la- borer in- surance.	Total expendi- tures.	Hours of work per week.	Average wages per laborer per week.
I. Professional workers:		<i>Marks.</i>	<i>Marks.</i>	<i>Marks.</i>		<i>Marks.</i>
Master machinists.....	4	122.00	2.72	124.72	216	31.18
Transferrers and pantographers.....	4	109.44	2.42	111.86	216	27.96
Pressmen.....	1	28.00	.64	28.64	54	28.64
Lithographers.....	11	461.00	8.13	469.13	594	42.65
II. Assistants:						
(a) Male—						
Skilled help, such as bookbinders, stampers, polishers, label cutters, machine tenders, etc.....	5	109.44	2.60	112.04	270	22.41
Unskilled help, such as package carriers, color mixers, stokers, etc.....	2	45.42	1.98	46.40	108	23.20
(b) Female—						
Skilled help, such as feeders, stampers, sprinklers, and die- sinkers.....	9	97.00	2.62	99.62	486	11.07
Unskilled help, such as sheet catchers, assorters, and all work- ers in the bookbindery and make- ready section.....	10	97.00	2.58	99.58	540	9.69

(Signature.)

*Statement of the average weekly wages paid to the whole staff of employees at Leutzsch, near Leipzig.*

Occupation.	Number of workers.	Total pay per week.	Contri- butions for la- borer in- surance.	Total expendi- tures.	Hours of work per week.	Average wages per laborer per week.
I. Professional workers:		<i>Marks.</i>	<i>Marks.</i>	<i>Marks.</i>		<i>Marks.</i>
Master machinists.....	13	513.32	11.69	525.01	51	40.38
Transferrers and pantographers.....	13	390.10	11.23	401.33	51	30.87
Pressmen.....	1	27.99	.83	28.82	51	28.82
Lithographers.....						
II. Assistants:						
(a) Male—						
Skilled help, such as bookbinders, stampers, polishers, label cutters, machine tenders, etc.....	10	279.90	8.25	288.15	51	28.81
Unskilled help, such as package carriers, color mixers, stokers, etc.	4	89.59	2.84	93.43	51	23.36
(b) Female—						
Skilled help, such as feeders, stampers, sprinklers, and die- sinkers .....	26	294.71	10.16	304.87	51	11.80
Unskilled help, such as sheet catch- ers, assorters, and all workers in the bookbindery and make- ready section.....	81	843.58	28.59	872.17	51	10.76

(Signature.)

*Statement of the average weekly wages paid to the whole staff of employees at Berlin.*

Occupation.	Number of workers.	Total pay per week.	Contributions for laborer insurance.	Total expenditures.	Hours of work per week.	Average wages per laborer per week.
I. Professional workers:						
Master machinists.....	14	689.50	13.52	703.02	54	50.21
Transferrers and pantographers.....	23	650.50	23.92	674.42	54	29.31
Pressmen.....	8	225.50	8.32	233.82	54	29.23
Lithographers.....	40	1,480.50	41.60	1,522.10	48	38.05
II. Assistants:						
(a) Male—						
Skilled help, such as bookbinders, stampers, polishers, label cutters, machine tenders, etc.....	69	1,655.00	50.32	1,705.32	54	24.71
Unskilled help, such as package carriers, color mixers, stokers, etc.....	28	604.00	15.96	619.96	54	22.14
(b) Female—						
Skilled help, such as feeders, stampers, sprinklers, and diesinkers.....	32	476.50	10.88	487.38	54	15.23
Unskilled help, such as sheet catchers, assorters, and all workers in the bookbindery and make-ready section.....	89	990.00	30.26	1,020.26	54	11.46

(Signature.)

BERLIN, January 27, 1909.

*Statement of the average weekly wages paid to the whole staff of employees at ——.*

Occupation.	Number of workers.	Total pay per week.	Contributions for laborer insurance.	Total expenditures.	Hours of work per week.	Average wages per laborer per week.
I. Professional workers:						
Master machinists.....	10	385.89	5.27	391.16	9	39.12
Transferrers and pantographers.....	14	457.36	7.36	464.72	9	33.20
Pressmen.....	22	735.22	11.40	746.62	8	33.94
II. Assistants:						
(a) Male—						
Skilled help, such as bookbinders, stampers, polishers, label cutters, machine tenders, etc.....	4	105.00	1.96	106.96	9	26.74
Unskilled help, such as package carriers, color mixers, stokers, etc.....	5	98.80	1.86	100.66	9	20.13
(b) Female—						
Skilled help, such as feeders, stampers, sprinklers, and diesinkers.....	9	105.04	2.34	107.38	9	11.93
Unskilled help, such as sheet catchers, assorters, and all workers in the bookbindery and make-ready section.....	9	86.84	2.19	89.03	9	9.90

(Signature.)

LEIPZIG, January 28, 1909.

Master machinists.		Transferrers and pantographers.		Pressmen.		Lithographers.		Male assistants (skilled).	
Number of workers.	Total average wages.	Number.	Total average wages.	Number.	Total average wages.	Number.	Total average wages.	Number.	Total average wages.
	<i>Marks.</i>		<i>Marks.</i>		<i>Marks.</i>		<i>Marks.</i>		<i>Marks.</i>
30	1,221.96	44	1,454.70	41	1,528.46	46	1,850.13	15	426.51
13	524.15	18	547.30	5	181.46	37	1,292.63	3	75.52
18	932.63	23	747.35	6	208.92	14	452.49	12	301.03
15	515.71	13	415.88	16	503.12	56	2,008.71	50	1,626.17
11	318.98	10	311.90	4	122.32	28	896.88	13	317.55
10	393.95	11	546.89	1	31.48	10	421.62	11	336.58
18	618.06	21	642.43	18	553.45	11	381.31	1	31.82
8	307.95	12	413.54	2	64.56	18	594.07	34	821.73
12	405.39	11	352.37	5	145.18	49	1,863.72	13	357.85
8	333.14	7	204.06	2	62.77	4	124.90	10	290.03
12	499.17	13	419.13	2	68.61	35	1,270.50	14	383.94
22	890.59	32	992.22	4	127.55	19	712.65	10	245.20
15	505.15	14	406.36	15	475.92	53	2,110.71	41	1,188.40
8	412.24	9	317.02	10	259.89	25	923.10	16	447.19
11	479.81	7	287.66	3	124.24	44	1,889.43	27	1,035.03
37	1,141.00	30	941.00	2	59.01	27	1,252.68	5	154.70
4	124.72	4	111.86	5	161.00	48	1,593.00	99	2,354.00
20	739.13	28	946.25	1	28.64	11	469.13	5	112.04
21	1,021.85	20	748.56	11	351.28	45	1,702.58	43	1,238.31
32	1,233.16	34	1,012.66	13	452.48	54	2,271.13	35	1,316.30
13	525.01	13	401.33	6	196.48	20	660.24	33	969.78
14	703.02	23	674.42	1	28.82	40	1,522.10	10	288.15
10	391.16	14	464.72	8	233.82	22	746.62	69	1,705.32
								4	106.96
362	14,297.92	411	13,359.71	181	5,966.46	716	27,010.33	573	16,130.11

Male assistants (unskilled).		Female assistants (skilled).		Female assistants (unskilled).	
Number.	Total average wages.	Number.	Total average wages.	Number.	Total average wages.
14	317.30	38	511.52	73	735.92
		25	296.99	71	676.60
24	662.83	109	1,905.90	73	1,056.39
3	77.67	24	310.87	81	850.24
17	484.66	28	389.52	(a)	
6	102.35	23	249.13	4	45.08
18	365.30	29	377.67	85	810.40
4	81.80	10	128.63	16	181.30
5	110.92	29	397.92	51	540.58
12	230.76	81	1,380.01	49	634.41
8	140.38	20	235.57	71	693.25
21	455.59	41	506.09	153	1,503.15
9	203.26	35	495.75	26	298.82
13	294.47	42	834.46	87	1,403.61
3	75.55	13	169.33	11	117.78
117	1,877.00	75	1,056.00	44	517.00
2	46.40	9	99.62	10	99.58
14	357.92	68	997.84	137	1,803.96
32	818.10	60	1,339.00	96	1,449.96
41	804.70	61	889.34	89	1,089.83
4	92.43	25	304.87	81	872.17
28	619.96	32	487.38	89	1,020.26
5	100.56	9	107.38	9	89.03
400	8,320.01	888	13,450.79	1,406	16,491.32

<sup>a</sup> Youthful workers.

Average wages: Master machinists, 39.49 marks; transferrers and pantographers, 32.50 marks; pressmen, 32.96 marks; lithographers, 37.72 marks; male assistants (skilled), 28.15 marks; male assistants (unskilled), 20.80 marks; female assistants (skilled), 15.14 marks; female assistants (unskilled), 11.73 marks.

LEIPZIG, February 3, 1909.

## LITHOGRAPHS.

The following has been reported to the Chamber of Commerce of Berlin in regard to pamphlets 11 and 35, pages 1031 and 5181:

In the following table the average wages and the highest wages for lithographic printers and engravers in Berlin are compared with those given by Mr. Meyercord. We did not have data for the wages of feeders and artists nor for girl labor in the whole of Berlin, and therefore the average and maximum wages of one of the most important firms here are taken as a basis.

*Wages per week.*

In America. As stated by Mr. Meyercord.	In Germany.
As stated by Mr. Meyercord.	Average and maximum wages paid.
Lithographers, \$20 to \$60.....	\$5 to \$15 .....
Printers, \$20 to \$35.....	\$5 to \$8 .....
Feeders, \$10.50 to \$17.....	\$3 to \$4 .....
Painters, \$25 to \$100.....	\$6.25 to \$25.....
Girls, \$5.....	\$1.25 .....

It must be noted that the above figures can not serve alone in a comparison with the wages paid in America, as the employers have to pay a considerable percentage on laborers' accident and sick insurance. Moreover, in calculating the cost in Germany there is the important factor that a machine only makes from 2,500 to 3,500 impressions a day here, while the American machines deliver from 5,500 to 7,000 impressions a day. Therefore the wages paid per day here are distributed among 3,500 sheets at most, whereas those paid in America are divided among 7,000 sheets at most. Consequently the rate of \$20 for a printer in America would be equivalent to \$10 in Germany. Mr. Meyercord gives the maximum wages as \$35 a week, which, in view of the foregoing, would correspond to \$17.50, while in Berlin as high as \$23 (more exactly, 93 marks) a week are paid.

As regards the wages paid to girls, the statements of Mr. Meyercord seems to be drawn from the imagination, as the above-mentioned Berlin firm pays an average of \$4 and up to a maximum of \$7 a week. In the above list, as well as in the explanation, the German wages are given in dollars for the sake of perspicuity in comparing the American and German wages as alleged by Mr. Meyercord.

What was said about the wages of printers applies to all other expenses necessary in operating a lithographing establishment. Taxes, rent, motive power, light, and heat are all distributed here each day over a maximum of 3,500 sheets and over 7,000 in America, so that in all cases, in calculating the cost, \$1 in America is equal to \$2 in Germany.

As is shown in the hearings before the Committee on Ways and Means, Mr. Meyercord not only included the wages of lithographic printers, but those also of ordinary printers in the three-color printing. However, ordinary printed matter is practically never exported from Germany to the United States. Therefore the wages of ordi-

nary printers can have no value in comparing the wages of lithographic printers. Mr. Meyercord presumably included these wages in order to obtain very high figures.

It is further asserted by Mr. Meyercord that the cost of materials in the United States is considerably increased by high import duties. As far as we are informed, imported materials, such as paper, colors, etc., are very little used by the American lithographer, and we believe we do not err in saying that in most cases American paper and materials manufactured in America are used.

That the present duty on lithographic productions is already very high and more than offsets the difference between American and German wages is shown by the following statement, the two thicknesses of paper which are chiefly exported to the United States being chosen as an example:

I. Lithographs on paper over  $\frac{8}{1000}$  to  $\frac{2}{1000}$  inch thick:

The wages per 100 sheets are 18.36 marks; the freight, 2 marks; the duty 16.50 marks (the latter two items together, 18.50 marks).

The duty thus amounts to over 100 per cent of the wages.

II. Lithographs on paper over  $\frac{2}{1000}$  inch thick:

The wages are 22.36 marks per 100 sheets; the freight, 6 marks; the duty, 36 marks; freight and duty together, 42 marks.

The duty is 189 per cent of the wages.

The above example abundantly proves that if anything is done to offset the difference in wages in Germany and America it would be logical to reduce rather than increase the tariff.

#### LITHOGRAPHS.

The following has been reported to the Chamber of Commerce of Frankfort-on-Main in regard to Pamphlets 11 and 35, pages 1031 and 5181:

A graphic-art institute makes the following statements regarding the wages paid in the graphic industry:

Proficient lithographers are paid from 33 to 42 marks a week (32 to 36 marks according to American statements) in our establishment, according to their ability, the hours of work being eight and a yearly vacation of ten days with full pay being granted. The foreman of the lithographic department, who was taken from our workshop, receives a weekly salary of 100 marks, whereby the wages—that is, the costs of production—are increased by at least 10 per cent.

Good printers receive the same wages as lithographers (the Americans allege from 20 to 35 marks), the number of hours being nine. The head printer receives 65 marks a week and a New Year's gift of 100 marks; feeders (male), about 24 marks; feeders (female), about 15 marks (12 to 16 marks); girl assistants, about 12 marks (4 to 6 marks) per week; laborer assistants and overseers, 24 to 30 marks per week. Our laborers therefore receive considerably more (from 20 to 100 per cent) than given by Mr. Meyercord. Then it must be observed that the wages constitute at least 40 per cent of the total costs of our production, or as much as said gentleman gives for America. We are not able to verify the statements made by Mr. Meyercord regarding the wages paid in America, but we are constrained to doubt their correctness.

## SCHEDULE M (PAPER).

[Confidential.]

MEMORIAL REGARDING THE HEARINGS BEFORE THE AMERICAN COMMITTEE  
ON WAYS AND MEANS CONCERNING THE DUTIES ON BASIC PAPER IN  
WASHINGTON.

## GENERAL REMARKS.

The American pulp and paper manufacturers assert, in the hearings before the Committee on Ways and Means, that they did not desire a specially high protection for their labor, but merely an offsetting of their higher expenses as compared with foreign countries by means of an increase of the American duties on paper. As a proof of the alleged advantage which the German papermaking industry enjoys over the American, they refer to the extent of the German exports of basic paper to the United States. As is proven in the opinion ——, this supposition is incorrect, as the total amount of the German exports of basic paper to the United States in 1907 was only something over 5,000,000 kilograms, with a value of  $1\frac{3}{4}$  million marks in round numbers—that is, one-fourth per cent in round numbers of the total German exports to the United States of America. In view of the exceedingly great demand for paper in the United States on the one hand and of the high development of the German-paper industry on the other, which at this very moment has led to a considerable overproduction and glutting of the German market, this fact alone makes it appear more than probable that the American duties on paper are not only sufficient to compensate any existing differences in the cost of production, but also to hinder the exportation of paper to the United States to a notable degree, generally speaking. A glance at the American tariff fully corroborates the supposition that the American duties on paper are prohibitive.

As will be thoroughly demonstrated in the following opinions of prominent experts in the German paper industry with respect to all kinds of paper coming under consideration, the assumption that the costs of production in the United States and Germany are approximately equal is also correct, individually speaking. The contrary statements of the American paper manufacturers before the Committee on Ways and Means are either based on incorrect information or—however regrettable this may be—on a conscious disregard of German economic conditions. This applies especially to the statements regarding the alleged wages paid in Germany. Daily wages of 80 pfennigs may still occur in East Asia, but they do not exist in the German industry.

In general the wages paid in the United States are perhaps twice as high as those in Germany. However, that the American laborer accomplishes more than twice as much as his German colleague is able to do; that machine labor cuts a much more important figure in the United States than in Germany; and, finally, that the part represented by the wages in the cost of production of paper is comparatively small—all these things are passed over in absolute silence by the American paper manufacturers. Moreover, no mention is ever made in the hearings before the American tariff committee of

the yearly increasing burdens of the social-insurance system which the German paper manufacturer has to bear.

The American paper manufacturer can obtain a portion of his raw materials, such as wood, coal, resin, and casein, cheaper than his German competitor. As far as this is not the case, the difficulty could easily be remedied by abolishing or reducing American import duties on the substances in question. It is certainly not a fair procedure to first increase the duties on certain raw materials and then, when complaints are made regarding the higher cost of the manufactured article, to increase the duties on the latter also. Another thing to be considered is that many American factories have water power at their disposal to an extent not even approximated in Germany. The assertions that sieves and felts are dearer in America than in Germany may best be refuted by referring to the discussion in the American Paper Trade Journal regarding the complaints of German paper manufacturers concerning the high prices imposed upon them by price-fixing unions. This journal calculated at that time that the exportation of sieves and felts from the United States to Germany might very easily be possible, in spite of the German import duty of 18 marks on sieves and 80 marks on felts (see p. 27).

Conditions are the same as regards machines and parts thereof.

If the American paper factories labored at so much greater expense than the German, it would be quite unexplainable why they conquer the field against the German paper industry almost everywhere where they enter into competition with them. This is especially the case with typewriter and printing paper. The United States have taken almost the entire South American market away from the German printing-paper factories. In Holland and England American typewriter paper is found everywhere, the German article hardly being seen anywhere. The American typewriter-paper manufacturers are actually able to overcome the German duty of 6 marks per 100 kilograms (which is very low, to be sure) and to throw their products on the German market with the aid of one or more large typewriter importers.

The means frequently employed by the American paper manufacturers in order to make their cost of production seem higher than the German consist in comparing high-priced American paper, which is also expensive to produce in Germany, with inferior and cheap German papers. More will be said on this subject in the opinions regarding the various kinds of paper.

Finally, when the complaint is made that German articles have been wrongly declared in the custom-houses such statements have remained unproven. Moreover, such occurrences can not be avoided by increasing the duties or by placing the articles under classes where they do not belong. On the contrary, the result of such a procedure would be to encourage wrong declarations. We must also consider in this connection that the classification of papers according to the purpose for which they are employed has long been abolished and is largely obsolete.

For particular cases the reader is referred to the opinions regarding the various kinds of paper, which, as stated before, have been prepared by prominent professional men in the German paper industry and are guaranteed to be reproduced here literally.

[No. 396.]

## PRINTING PAPER.

\* \* \* \* \*

[Pamphlet 11, pp. 1197-1224.]

We see, in the first place, from the hearings that the representative of the American newspaper publishers, Mr. Norris, is continuing his fight which he began in 1904 before the Committee on the Judiciary of the House of Representatives against the International Paper Company, using the same weapons, but increasing his demands, which he characterizes as follows (Pamphlet 12, pp. 1227-1232) :

Free pulp, free paper, and reciprocity with Canada for free pulp wood, free paper, and free pulp. (Pamphlet 12, p. 1199.)

We are unable to pass on the veracity of his statements regarding the prices of printing paper in the United States and the influence exerted thereon by the International Paper Company, nor can we pass on the conclusion which he draws therefrom that the International Paper Company has created an artificial demand for paper, and that the great strike in the paper factories was brought about as a means to this end. In answer to this the representatives of the International Paper Company maintain that this statement is absolutely exaggerated, and that they were obliged to increase their prices because wages and wood had considerably increased. If the requests of the publishers were granted, the American paper industry would in the main be crushed out by the overwhelming Canadian competition in printing paper.

This struggle has little significance to our German printing paper industry, for it is practically impossible to export newspaper printing paper, or even the ordinary German printing papers, to the United States under normal circumstances. The American import duty of \$6 a ton can not be overcome.

[Pamphlet 12, p. 1272.]

It is impossible to gather from the wage statistics presented by the representative of the American paper industry how the calculation of the wages for 1 ton of printing paper was made. The statements of the individual wages for the most various kinds of laborers and employees may be correct, but the result, that is, the statement quoted below, can in no case be correct. This statement, given on page 1279 of the tariff hearings, is as follows:

Based on these rates the cost of labor per ton of paper would be in each country as follows:

International Paper Company-----	\$8.00
England -----	3.29
Germany -----	2.48
Sweden -----	2.22
Norway -----	2.22
Austria -----	2.09

It is known that the wages, without regard to the salaries of officials, in our large, well-conducted printing-paper factories vary from 1.50 to 2.20 marks per 100 kilograms of paper produced. Smaller

factories working under less favorable conditions often show a higher rate. If we add the salaries of officials, the rate increases by about 20 to 25 pfennigs per 100 kilograms; under some circumstances also less. We shall, therefore, not err if we take 2 marks in round numbers as the average rate, including both wages and salaries. This is 20 marks, or \$4.75 a ton, and would be twice the amount given on page 1279 of the tariff hearings for Germany (\$2.48).

However, the wages are not the determining factor in the production of printing paper. Of far greater importance are the costs of raw materials and motive power. In this respect the American printing-paper factories are way ahead of the German. Pulp wood can be obtained much more cheaply over there. Moreover, the American factories have immense water power at their disposal as compared to the German factories, and this lowers the cost of production very materially. These two facts were passed over in silence in the statements of the American paper manufacturers, as given in the hearings before the Committee on Ways and Means. Therefore the Americans come to a false conclusion when they say, on page 1279, paragraph 2:

While no printing paper is now imported into the United States from European countries, we believe that imports would take place from Scandinavia, Finland, and Germany if the duty were abolished.

As a matter of fact, German printing paper could only be imported at a great loss to the German factories, even if the American duty were entirely removed, because wages and other expenses involved in the production of printing paper in Germany are much higher than the Americans suppose.

The only reason why newspaper printing paper is exported from Germany at present is because the existing syndicate—that is, our Union of German Printing Paper Factories—is able, owing to its organization, to get rid of a surplus production which, it may be remarked, amounts to between 5 and 10 per cent of the whole German output of printing paper, in doing which it distributes the considerable loss which it sustains among all its members, so that but a small loss is experienced by each individual member. A German printing-paper factory which did not belong to the syndicate would never be able to make such exportations, because in doing so alone it would lose too much money.

The false idea which the Americans have of the German printing-paper syndicate is shown by the further remark on page 1279, paragraph 3, which (translated) reads as follows:

In Germany the prices for home consumption are maintained by a union, which is sanctioned by the Government.

These gentlemen in America know nothing about the attacks made against the printing-paper syndicate and the suspicion with which the Government always looks upon the actions of the syndicate. From the whole hearings it is plainly to be seen that both parties, the American newspaper publishers and the American printing-paper manufacturers, have made secret inquiries in Germany in order to learn all the details concerning the production and sale of printing paper, and that in some cases that which is claimed to have been found out is absolutely erroneous. The thought occurs to one that the

questioned parties, surmising the intention, knowingly told that which is untrue. This is the only way in which the discrepancy between the statements and actual facts can be explained.

[No. 402.]

#### WALL PAPER.

[Pamphlet 11, p. 1126 et seq.; pamphlet 21, p. 2722 et seq.]

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The printed document transmitted to me a few days ago, relating to the proceedings before the Committee on Ways and Means, is hereby returned, with the remark that the matter under discussion in these proceedings was not wall paper (*Tapetenpapier*), but paper hangings (*Tapeten*), or an already elaborated paper. Then, again, the only hangings coming under consideration are the better or finer kinds, on which the duty is considered insufficient, while the cheaper and ordinary hangings are not referred to.

The question as to how far the statements regarding conditions of production in Germany are correct is one which must be investigated by the manufacturers of paper hangings.

Even under the present conditions—that is, tariff rates—wall paper can not be exported to North America. However, if such exports occur, notwithstanding my belief, they are made under the designation of “printing paper.” This may be very easily supposed, for the reason that wall papers are now often delivered in rolls wrapped up by a rotary process, the same as printing paper.

In the case of ordinary cheap kinds of wall paper the price is, moreover, approximately the same as that of printing paper. Inasmuch as “*Tapeten*” are called “wall paper” and “paper hangings” in the English language, one may easily make the mistake of supposing that wall paper (*Tapetenpapiere*) is meant instead of paper hangings (*Tapeten*).

Paper factories would be called “paper mills,” whereas in the printed pamphlet only “wall-paper manufacturers” are referred to.

[Nos. 396, 397, 401.]

#### TYPEWRITER PAPER.

[Pamphlet 11, p. 1180 et seq.; pamphlet 12, p. 1261 et seq.]

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According to the commercial statistics of the United States, the total exports to Germany in 1907 amount to \$274,000,000 and the total imports from Germany \$161,000,000.

According to the statements of the Imperial Statistical Bureau, volume 190, pamphlet 19, the exports of paper from the United States to Germany in 1907 amounted to 652,500 kilograms, worth 249,000 marks (see Appendix A), or in round numbers \$60,000, and the exports of paper from Germany to the United States amounted to 5,096,600 kilograms, worth 1,796,000 marks (see Appendix B), or in round numbers \$430,000.

Therefore in the total sum of imports from Germany in 1907, amounting to \$161,000,000, as given by the United States, the paper item was represented by about \$430,000, or 0.26 per cent.

In the face of this infinitesimally small quantity of paper exported to the United States from Germany, the American authority being heard on this matter stated to the chairman as follows (see p. 1181, Tariff Hearings) :

I should say that the importation was probably one-third of the consumption on the manifold papers, the onion skins, and the typewriter manifold papers—I should say that the importation was probably one-third.

The American authority here quoted thus declares that one-third of the entire consumption of typewriter papers (onion skins and typewriter manifold papers) is imported into the United States. He expressly affirms this again in answer to the question of the chairman. "two-thirds produced in the United States." by saying, "Yes, sir; I should say about that."

The civilization of that country, so blessed with riches and peopled by about 76,000,000 inhabitants, must indeed be in a sorry plight if the statements of this authority are true, and if the exceedingly small quantity of paper imported, of which, moreover, only a very small fraction consists of typewriter paper, constitutes one-third of the total consumption.

If we wish to ascertain the qualities of typewriter paper referred to by this authority in these hearings we may find them in the record of the proceedings (see page 1180 of the Tariff Hearings) :

The price at which they are imported is very low, the price at the port of entry being about 5 or 6 cents a pound. and they are sold in this country at 8 cents. Now, the cheapest paper we can make of that character is from 13 cents to 35 cents.

These prices per English pound are as follows, reckoned according to kilograms: Five cents a pound=46.3 pfennigs per kilogram; 6 cents a pound=55.5 pfennigs per kilogram.

These prices, according to the statements of the aforementioned authority, are understood to be free port of entry. If we estimate the freight by sea from the German port to America, in addition to the land freight in Germany to the port, at a total of about 4 pfennigs per kilogram, we find the value of the paper shipped from the German factory to be about 42 and 51 pfennigs per kilogram, respectively. This shows clearly that the American authority referred to those classes of German papers which are totally or principally made of wood pulp or straw pulp; that is, the kinds which are usually termed "substitute papers" in Germany. When the American witness declares to the chairman that "the cheapest paper we can make of that character is from 13 cents to 35 cents a pound" (that is, 1.20 to 3.20 pfennigs per kilogram), this would show a tremendous superiority on the part of the German paper industry if the statements of the declarant were free from criticism. However, as a matter of fact, the declarant is silent regarding the fact that the price of 13 cents to 35 cents a pound (1.20 to 3.20 pfennigs per kilogram) can only relate to the very finest papers, made from the most expensive rags, for which of course many times the price must be charged and paid that is charged for "substitute papers." It is just as if one were to compare the cheapest kind of so-called "wood-free writing paper" with expensive bank-note paper. The authority being heard must either be anything but a paper expert or else it is his intention to mislead the chairman.

The question whether the American paper consumer, to whom the German "substitute paper" appears appropriate for his special purposes at the price of 8 cents, would be satisfied to pay 13 to 35 cents for American paper instead of 8 cents for German paper if compelled to do so, may be decided by the American customs law.

The witness in question demands that papers of this kind be taxed in future according to 401, and that this item be changed in future as follows:

writing, letter, note, handmade, genuine or imitation, sized or unsized, if deckled on two or more sides, drawing, ledger, bond, record, tabled, typewriter paper, cover papers, Japan-paper, genuine or imitation—

(a) If weighing not more than 8 pounds to the ream of 500 sheets 17/21*i*, 6 cents per pound and 15 per cent ad valorem (p. 1180).

The duty would accordingly amount to  $6\frac{3}{4}$  cents if the importing value were 5 cents a pound, and this would be 135 per cent of the importing value.

(b) If weighing over 8 pounds and not over 10 pounds, 5 cents per pound and 15 per cent ad valorem.

The duty would accordingly amount to  $5\frac{3}{4}$  cents if the importing value were 5 cents a pound, and this would be 115 per cent of the importing value.

(c) If weighing not less than 10 pounds and not over 15 pounds, 2 cents per pound and 15 per cent ad valorem (p. 1184).

The duty would accordingly amount to  $2\frac{3}{4}$  cents if the importing value were 5 cents a pound, and this would be 55 per cent of the importing value.

(d) If weighing more than 15 pounds,  $3\frac{1}{2}$  cents per pound and 15 per cent ad valorem.

The duty would accordingly amount to  $4\frac{1}{2}$  cents if the importing value were 5 cents a pound, and this would be 85 per cent of the importing value.

Such rates of duty are in reality equivalent to a prohibition to import.

[Pp. 1261, 1267, and 1277.]

The American paper manufacturers point out that the wages in the United States are many times higher than those paid in foreign countries, especially in Germany. It was asserted that a laborer earns \$3 in America to \$1 abroad. To be sure it is added that the American laborer is capable of performing more work and that five laborers in America perform as much in a day as six laborers in Germany. According to this, foreign labor, especially German labor, would be calculated at 40 per cent of the American. There is no evidence to prove this figure, and it is to be doubted whether such a difference exists. Moreover, in paper making the wages themselves are far from being as important a factor as, for instance, in the textile and machine industry. It must also not be left out of consideration that a large part of the manual labor performed in paper factories (cutting, assorting, separating into reams, etc.) is performed by cheap female laborers. In a German paper factory making paper worth from 5 to 6 cents per English pound, the wages are calculated at about 12 per cent of the selling value of the product. This factory obtains its pulp ready made from other factories, and so the wages

mentioned relate only to the paper making itself. Assuming now that the American wages are really 60 per cent higher, the cost of production of papers of the value mentioned would only be increased by 18 per cent of the value of the paper through the wages paid. Even such a difference in the rates of wages (and we deny that it is as great as claimed) would not justify a duty of 55, 85, 115, and 135 per cent of the value of the paper. In the main, however, we must point out that in the American paper mills a much greater specialization prevails in the manufacture of paper than in Germany; that this strictly followed specialization effects a considerable saving in wages; and that finally manual labor is superseded by machinery in America more than in Germany. Calculated according to the value of the finished product, the difference in wages will probably be found to be much less than the Americans claim.

We may also refer here to the fact that the American paper manufacturer is unacquainted with the burdens which the German paper maker has to assume in connection with the provision for laborers under the social laws (contributions for accident and disability insurance).

[Pages 1181-1182.]

The American paper manufacturers finally make the assertion that paper imported to America from abroad is often wrongly declared (in the custom-house). They also state that writing paper is mostly assessed as printing paper.

The instructions as to how a paper shall be declared are usually given by the purchaser. These instructions must necessarily be governed by the purpose for which the paper is to be used. This purpose for which the paper is to be used can not be told by looking at the paper. No one can assert that this or that paper can only be used for writing or for printing purposes. The line of demarcation has disappeared in the course of time. There are no longer any absolute marks of distinction with regard to the use to which various kinds of paper may be put. One and the same variety of paper often serves the most various uses, being employed sometimes for writing, sometimes for printing, and sometimes for packing. Innumerable printed documents, circulars, advertisements, etc., are printed on paper which one is usually inclined to call writing paper. On the other hand, much commercial correspondence which is manifolded by means of mimeographs (circulars, advices, price lists, etc.) is done on soft paper with little sizing, which must be regarded as printing paper rather than as writing paper. A classification according to use would seem no longer to be possible in actual practice, and this is as true in America as in foreign countries. At all events the statement made by the American paper manufacturers for purposes of competition that the imported writing papers are fraudulently declared as printing papers is not susceptible of proof.

Between the duties collected in America on German papers and those collected in Germany on American papers there is an unparalleled disproportion. The German paper industry would rejoice if it could ever succeed in having the paper imported to Germany subjected to as high a duty as German paper has to pay in America.

*Germany imports from the United States of America.*

		1907.
	Dozen (100 kg.).	Value in 1,000 marks.
654	Packing paper colored in the pulp.....	2,346
655a	Printing paper, uncolored, colored in the pulp.....	57
655b	Cardboard, except crayon board.....	26
655c	Blotting paper, white filter paper, tissue paper.....	648
655d	Packing paper, colored in the pulp, smooth on both sides, tissue paper over 30 grams per square meter .....	3,301
655e	Parchment paper.....	17
655f	Writing, letter, handmade, and note paper.....	34
655g	Drawing paper or crayon board.....	13
655h	Other paper .....	83
		6,525
		249

1907: Imports from the United States of America 652,000 kilograms, of a value of 249,000 marks. Paper equals \$60,000 in round numbers.

*Germany exports to the United States of America.*

		1907.
	Dozen (100 kg.).	Value in 1,000 marks.
654	Packing paper colored in the pulp.....	12,226
656a	Printing paper.....	10,513
655b	Cardboard except crayon board.....	1,308
655c	Blotting paper, white, etc., filtering tissue paper .....	1,653
655d	Packing paper colored in the pulp, smooth on both sides, tissue paper over 30 grams per square meter .....	20,058
655e	Parchment paper .....	217
655f	Writing, letter, handmade, and note paper .....	1,030
655g	Drawing paper, crayon board.....	2,245
655h	Other paper .....	1,716
		50,966
		1,796

1907: Exports to the United States of America 5,096,600 kilograms, of a value of 1,796,000 marks. = \$430,000 in round numbers.

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[Pamphlet 11, p. 779.]

The American paper manufacturers seek to represent their conditions so as to make it appear that they are unable to manufacture as cheaply as German factories. For this purpose they refer to the prices of raw materials and machinery, which make the situation appear unfavorable to them. However, if we examine thoroughly into the matter we shall find, in the first place, that a part of the alleged prices have comparatively little to do with the cost of production. For instance, they state that the duty on china clay is \$2.50 a ton. However, china clay is really unnecessary in the manufacture of typewriter paper, and for that matter the United States could reduce or abolish the duty mentioned. The duty on felts also cuts no figure, for the Americans make their own felts cheaper than they can obtain them abroad. The same is the case with the sifting cloths, and this is still more true in the case of cotton dry felts. The high duty on hemp string sounds very formidable in this connection, but

in what way are hemp strings used in paper making? Parts of the machinery are made cheaper in America than here. Calcinated soda is produced cheaper in America, and leather straps are likewise cheaper in America than in Germany. The same is true with rubber belts. The only material of all those mentioned which is dearer in America than in Germany is the chlorid of lime, but the duty on this article could also be abolished, or at least reduced, there.

The data regarding wages in America are estimated abundantly high and those in Germany too low. We can not obtain any female laborers here at 80 pfennigs, as was stated before the committee. This is impossible, for we pay more than twice that much here. The wages paid to manual laborers is higher in America, to be sure, but the amount of labor is greater and more work is done by machinery than here. The wages for good laborers in Germany is estimated too low. We also have no machine operators under 2,000 marks a year. On the other hand, however, the Americans have extraordinarily cheap water power, and for the most part very cheap coal and cheaper resin. Furthermore, our tremendous expenses for providing for laborers under the social laws must be considered, this being a thing unknown to Americans.

As a matter of fact, the American paper mills are able to manufacture typewriter paper as cheap as we. This is shown by the fact that large quantities of typewriter paper are imported into Germany, and that America is the greatest competitor of the German factories abroad. I should like merely to mention that the larger part of the typewriter paper imported into Holland and England is from the United States, and that we have been unable to drive the Americans out of that field.

The Americans really do not wish to offset the cheaper production in Germany by means of an import duty, but they wish to create tariffs which will be prohibitive. As regards the specially light varieties of typewriter paper (onion skins), America is able at present to produce them cheaper than ourselves by means of specially constructed machines. The statements of the American manufacturers are not really true. The American paper mills are producing to-day an onion-skin note paper weighing 18 grams at 6½ cents. We can not do this. America is to-day manufacturing a good quality of onion-skin paper on these special machines at about 120 pfennigs in German money. This is exactly the same price at which this kind of paper can be manufactured here. The Americans compare the good American with the poorer German qualities as they see fit and according to the necessity of the moment.

[No. 402.]

#### IMITATION PARCHMENT, PERGAMYN, AND PARCHMENT SUBSTITUTE.

[Pamphlet 11, p. 1070 et seq.; pamphlet 35, p. 5221 et seq.]

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\* \* \* of which I am managing partner, produces on three machines exclusively grease-proof papers out of cellulose (pulp), machine-smooth and glazed. The former paper is known to the trade in Germany under the name of parchment substitute and in America as

grease-proof, and the latter is known in Germany as pergamyn and in America as parchmine or glassine. In the production of these varieties of paper, cellulose is used exclusively, bleached cellulose being used for the better kinds, first and second class, and unbleached for the inferior kinds. The prices of these materials delivered free to our factory are as follows:

	Marks.
Bleached cellulose -----	25.50
First-class, unbleached -----	19.50
Second-class, unbleached -----	18.50

The manufacture of the better kinds out of bleached material naturally costs more than the inferior varieties made of unbleached material.

Intermediate varieties are also produced in which bleached and first-class unbleached material is used in various proportions mixed.

The cost of production in Germany amounts to the following sums:

	Marks.
Machine-smooth parchment substitute (grease proof) of bleached cellulose, according to quality-----	20.00-30.00
Machine-smooth parchment substitute (grease proof) of first-class unbleached cellulose, according to quality-----	19.00-25.00
Machine-smooth parchment substitute (grease proof) of second-class unbleached cellulose, according to quality-----	18.00-19.00
To these costs should be added the depreciation per 100 kilograms, which in our factory is-----	1.50

Accordingly the various kinds of paper would cost as follows:

1. First-class parchment substitute (grease proof) of bleached material—

	Marks.
Cellulose -----	25.50
Cost of manufacture-----	20.00-30.00
Sinking fund -----	1.50
Cost of production at factory-----	47.00-57.00

2. Parchment substitute (grease proof) of first-class unbleached material—

First-class unbleached cellulose-----	19.50
Cost of manufacture-----	19.00-25.00
Depreciation-----	1.50
Cost of production at factory-----	40.00-57.00

3. Parchment substitute of second-class unbleached material—

Second-class unbleached cellulose-----	18.50
Cost of manufacture-----	18.00-20.00
Depreciation-----	1.50
Cost of production at factory-----	38.00-40.00

My firm, as stated before, manufactures from the same materials also its second quality, namely, pergamyn (parchmine or glassine), which does not differ essentially in its production from the first-mentioned variety, but which is specially smoothed, whereby it is given a bright surface and greater transparency.

The cost of production of this kind of paper is increased by the smoothing process by about 4 marks per 100 kilograms, the cost of coloring being added in the case of the colored varieties.

My firm exports to the United States chiefly its lowest quality of machine-smooth parchment substitute (grease proof), made of unbleached second-class cellulose, f. o. b. Rotterdam, at the price of 36 marks.

Second in importance comes a mixed variety consisting of Ib and Ia unbleached cellulose, f. o. b. Rotterdam, at the price of 38 marks.

Furthermore, a mixture of bleached and first-class unbleached cellulose, f. o. b. Rotterdam, at the price of 46 marks.

Of smoothed pergamyn (parchmine or glassine) my firm exports to the United States an inferior quality made of unbleached Ib cellulose, f. o. b. Rotterdam, at the price of 40 marks.

Smoothed parchment (parchmine or glassine), consisting of a mixture of Ib and Ia unbleached cellulose, at the price of 44 marks.

A pergamyn (parchmine or glassine) of first-class unbleached cellulose, at the price of 48 marks.

As is shown by the foregoing data, the prices obtained by our goods sold in the United States do not quite equal the cost. My firm is compelled to sell at these prices by the difficult conditions of sale and by competition. However, my firm can not entirely do without the orders from the United States, but takes them at the afore-mentioned losing prices in order to dispose of its output and to relieve the German market.

The two varieties of paper produced by my firm, machine-smooth parchment substitute and pergamyn (grease proof and parchmine or glassine), are used in the most various ways. The former is used principally for packing provisions of all kinds, and the latter is used in the same way and also, owing to its transparency, for various other purposes; for instance, for envelopes, for sheets laid between illustrations, for pasting over window panes, for lamp shades, etc.

The grease-proof papers produced by us out of cellulose differ from the so-called vegetable parchment chiefly in that our papers are only proof against grease and not against dampness, and therefore dissolve in water, while vegetable parchment is proof not only against grease but also against dampness and can not be dissolved at all.

While our papers are produced exclusively from cellulose, vegetable parchment consists only of cotton fiber, which is worked up into paper in the paper mill and is only then made into parchment by a special process.

The cost of production of this cotton paper for vegetable parchment is about the same as that of our machine-smooth paper in general, and this is also the case in the United States. However, in the case of vegetable parchment there must also be added to this cost of production the cost of converting into parchment, which is almost equally high, so that this paper costs almost twice as much as ours—that is, as imitation parchment. The selling price of vegetable parchment is in fact also about twice as high as that of imitation parchment.

I make these statements to you on the basis of the books of the factory and on that of my experience and knowledge of this branch of industry.

\* \* \* \* \*

[Pamphlet 11, p. 1070.]

My remarks regarding the tariff hearings will relate to the manufacture of imitation and grease-proof papers, or, as they are more specifically designated in these hearings, imitation parchment, pergamyn, and parchment substitute, as far as they are shipped in a natural condition or colored, smooth, and watermarked (*geprägt*), and also machine smooth, moderately smoothed, highly smoothed, and prepared with hygroscopic ingredients.

[Pamphlet 11, p. 1071.]

The Americans, in order to corroborate their assertions, refer wrongly at the same time to Scandinavia and Germany, whereas every person who is even partially acquainted with the subject knows that the goods thrown on the American market by Scandinavia can not be compared with the American product, and much less with the German, and that they can never take the place of American or German goods where the latter are required.

First of all, I will take the liberty of calling attention to a great error in the statements of the American paper manufacturers, which occurs in almost all the testimony, and is as follows:

[Pamphlet 11, p. 1077.]

That imitation parchments, parchment substitute, pergamyn, and glassine or japanin are identical with genuine parchment paper and can only be distinguished by experts, and that they likewise hardly differ from genuine parchment in their methods of production.

This statement is wholly incorrect, for the first-mentioned papers are produced on the well-known long-sieve paper machine without any subsequent treatment, exactly the same as all other papers, such as printing, writing, packing, etc., paper, while the genuine parchment papers are mostly produced from cotton fiber or a mixture of the latter with cellulose, being, to be sure, also made in the paper machine like paper, but receiving subsequently a treatment with sulphuric acid in the sulphuric-acid bath and then washed out. It is to this complicated and expensive manipulation that genuine parchment, just as all papers subjected to a subsequent treatment, owes its correspondingly higher market price, which is at least twice as high as that of the first-mentioned varieties.

It is still more incomprehensible how the Americans can assert that the first-mentioned papers can not be distinguished from genuine parchment paper. I take the liberty in this connection of quoting the interpretation given in the customs negotiations with Austria-Hungary in which the Austrian paper manufacturers express themselves clearly and distinctly regarding the distinction between imitation and grease-proof papers and genuine parchment, as follows:

All papers are regarded as imitation parchment papers (pergamyn, imitation parchment, parchment substitute, glassine, and japanin) which are produced from sulfite cellulose or very finely ground pulp. They are distinguished from genuine parchment papers by the fact that the fibers are recognizable at places where torn, especially when the paper has previously been dipped in water. If carefully held over a fine flame they show many diminutive bubbles or a white opaque spot, and after long boiling in water can be stirred into a pulp.

[Pamphlet 25, p. 5221.]

Before examining into the cost of production of imitation parchment in America and Germany I can not help pointing to the fact that the statement of the Americans to the effect that in Germany the manufacturers of these papers are united by a syndicate or convention and now throw their surplus product on the American market at a loss is not in accordance with facts. All efforts to reach any agreement for the sake of improving prices on these papers at home or abroad have thus far always failed and will moreover never attain their purpose, for the reason that the qualities of the various factories

differ so greatly. The assertion of the American paper manufacturers that the German manufacturers of the papers in question produce their own pulp and therefore have a great advantage over them is also in the main based on an error, since not one-fifth of these paper manufacturers produce their own pulp, while four-fifths of them procure it from remote regions and, as we shall see later on, no more cheaply than American manufacturers. Moreover, probably even the one-fifth of the manufacturers who produce their own pulp derive no special advantage from this fact, for, apart from the fact that these factories must charge their pulp up to their paper mill at the market price, they have the great disadvantage of being dependent on the single quality of pulp which they produce and therefore can only prepare certain limited qualities of paper, whereas the so-called exclusive paper factories are able, by combining various pulps, not only to produce better qualities of paper, but also to work to greater advantage financially.

The complaints of the American importers and of the paper-elaborating industry, to the effect that the American paper mills are by no means able to fill the demand for these classes of paper, is not unwarranted. Probably the Americans will never engage in extensive manufacture of these kinds of paper, as they are compelled to depend on manufacturing in massive quantities by machinery, owing to the limited supply of laborers at their disposal. Therefore we also find that the American laborer is cheaper to his employer than the German laborer, even though he receives twice the salary paid in Germany. The American produces at least twice the amount of finished paper with a given number of laborers than we do here in Germany. Likewise, coal, resin, potato flour, and all materials in general required in paper making are cheaper than in Germany, without mentioning the great water power which almost all American paper manufacturers have at their command. To this may be added the expenses for sick funds, trades unions, etc., which have to be borne in Germany under the social laws and which are unknown to the American, but which greatly increase our management expenses.

I shall, furthermore, take the liberty, before making a comparison of the actual cost of these papers in Germany with the cost of production in America, to state that all papers which undergo a further treatment after being produced, such as coated paper, waxed paper, genuine parchment, paper with a metal surface, albumen paper, etc., and which therefore represent a higher value owing to this expensive and time-consuming treatment, ought to be subject to a duty of  $2\frac{1}{2}$  cents per pound and 15 per cent ad valorem according to item 398. On the contrary, all imitation parchments and grease-proof papers belong to those which are prepared directly on the paper machines and at most only undergo a smoothing process afterwards, such as writing, printing, book, etc., paper; these should be subject only to a duty of 25 per cent ad valorem, for it would not be right for these papers, which frequently are of a lower price than writing papers, etc., to be subject to a higher duty.

The cost of production of these papers must at least be as high in Germany as in America, since many of the raw materials, as mentioned above, are dearer in Germany than in America. The higher wages in the United States are entirely offset by the greater energy of the Americans and by their machinery.

It is quite correct that the papers in question are produced from bleached and unbleached sulfite pulp. The prices of this pulp are as follows, on an average, in accordance with data furnished me from all parts of the German Empire:

	Marks.
Bleached cellulose	25. 50
Unbleached cellulose	19. 50
Second-class unbleached pulp	18. 50

The management expenses increase considerably in the case of these papers, being greater in proportion to the fineness of quality and lightness of weight required. They probably amount to from 14 to 30 marks per 100 kilograms of paper. If we now take as a basis paper weighing 40 grains per square meter, which is the weight most in demand and which was probably referred to by the Americans in their statements, the cost of production will be as follows:

	Marks.
Machine-smoothed parchment substitute (grease proof) of bleached cellulose	26-30
Do. of first-class unbleached cellulose	18-24
Do. of second-class unbleached cellulose	14-18

In the case of pergamyn, glassine and Japanin the expenses are increased by 2 marks per 100 kilograms owing to the high polish and the cost of production is increased by over 5 per cent as compared with parchment substitute papers, owing to the losses. According to these statements, therefore, we should have the following market value:

	Marks.
Parchment substitute of pure bleached cellulose	25. 50
Plus average cost of production	25. 00
Plus 10 per cent loss of material	5. 05
	<hr/> 55. 55
Parchment substitute of first-class unbleached cellulose	19. 50
Plus cost of production	21. 00
Plus loss of 10 per cent	4. 05
	<hr/> 44. 55
Parchment substitute of second-class unbleached cellulose	18. 50
Plus cost of production	16. 00
Plus 10 per cent loss	3. 35
	<hr/> 37. 85

In these costs of production, freight up to 2 marks per 100 kilograms is included. Quite similar to these prices are the intermediate grades, half bleached and unbleached, half first-class and half second-class, or one-third and two-thirds, or one-fourth and three-fourths materials, etc.

The so-called "pergamyn" (parchmine, glassine, Japanin, silver, etc.) are produced from the same materials, only that the cost of production is increased by the higher smoothing, as remarked above, to the extent of 2 marks per 100 kilograms, and the loss by 5 per cent, so that the cost of pergamyn is as follows:

	Marks.
Of pure bleached cellulose	60. 38
Of first-class unbleached cellulose	48. 87
Of second-class unbleached cellulose	41. 96

[Pamphlet 11, p. 1095 et seq.]

It is plainly seen from the foregoing figures that the American paper manufacturers gave absolutely incorrect figures in estimating the values of grease proof and of glassine papers in Germany. It is absolutely impossible to buy sulfite cellulose in Germany for \$35 (147 marks) a ton, as stated by the Americans, nor can the cost of production in Germany be estimated at \$32.74 a ton (138.80 marks).

In comparing the wages paid, the American paper manufacturers wisely omit Germany entirely and give only a comparison of Sweden and America. To this I can only repeat that the Swedish make of these papers can not compete with the American and German. If, however, we were to calculate the wages paid to-day in Germany, in addition to the contributions required by the social laws, these wages would probably not be far below the American. At all events the wages reckoned per 100 kilograms of paper are not much higher in America than in Germany, as was stated above.

[Page 1112.]

The proposal of the same gentleman to add an amendment to paragraph 401 providing for an increase of duty on typewriter paper and onionskin paper is incomprehensible to me for the reason that papers weighing not less than 10 pounds already come under paragraph 401. I simply do not believe that the importers have been importing this paper as printing paper provided for under paragraph 396 at only  $\frac{1}{2}$  cent per pound, when it weighs less than 10 pounds a ream (less than  $24\frac{1}{2}$  grams per square meter). However, if this were the case it would again show the great injustice of a thin paper paying a much lower duty when used for printing purposes than an inferior tissue paper used for wrapping purposes or for the fancy paper industry.

The opinion of Mr. Buck that thin typewriter paper below 25 grams per square meter delivered free to port of shipment costs 6 cents a pound or 44 pfennigs per kilogram is certainly erroneous. As far as I have manufactured manifolding paper (*Durchschreibpapier*), it costs 70 pfennigs and over.

I should consider it just if paragraph 401 were to receive an amendment providing that the papers therein mentioned, including cover papers, should pay a duty of 3 cents a pound and 10 per cent ad valorem if weighing under 10 pounds; that is, over 6 pounds but not over 10 pounds, and that all paper weighing over 10 pounds should pay 2 cents a pound and 10 per cent ad valorem as heretofore.

Onion-skin paper and typewriter paper weighing between 6 and 10 pounds per ream of 480 20 by 30 inch sheets could really even now be included by the American customs officials under paragraph 397. A subdivision of 6 to 8 pounds per ream and 8 to 10 pounds per ream is at all events undesirable, as the difficulty of keeping within the right limits of weight might easily lead to charges of fraud and to the imposition of fines.

It appears that under the protection of the enormous tariff on tissue paper the four American paper mills have a trust and that, therefore, the paper-goods factories in America have to pay very high prices for tissue paper. There is, however, no reason why cheaper tissue papers

ranging in price from 30 to 60 pfennigs should be subjected to a protective tariff of about 100 per cent, for these papers are made on quick-running machines in which little manual labor is necessary. Besides, there is a firm in the United States called the "Dennison Manufacturing Company," at 26 to 28 Franklin street, Boston, which produces such large quantities of crape paper that it can make heavy exports to Germany.

[Nos. 397 and 407.]

\* \* \* \* \*

[Pamphlet 11, page 1103 et seq.]

The firm of \_\_\_\_\_ had the kindness some time ago to send us a copy of the statements made before the American Committee on Ways and Means regarding tissue paper. We can but agree to the statements of this firm as a whole, which are very much to the point. Regarding No. 407, paper goods, or the basic papers used therein, we are unable to give an opinion, because we do not manufacture the papers in question. The principal article which we export to the United States is the basic paper for carbon papers. In this paper the minimum weight limit coming under consideration is 10 grams per square meter—that is, about 4 pounds to 480 sheets measuring 20 by 30 inches. Accordingly, No. 397, with the weight limits specified therein of 6 pounds 20 by 30 inches and over 6 pounds 20 by 30 inches, is the principal rate of duty paid by us. Here the duty, which is 55 pfennigs on paper weighing 6 pounds and below and 46 pfennigs on that weighing 6 to 10 pounds, is extraordinarily high if we consider that there is an ad valorem duty of 15 per cent additional. The ad valorem duty is, to be sure, calculated according to the German fundamental price (Gundpreis). If, for instance, a paper costs 2 marks per kilogram, the ad valorem duty would amount to 30 pfennigs. However, paper costing 2 marks weighs over 6 pounds, so that 85 pfennigs would have to be paid in duty alone. We believe it unnecessary to explain further how so tremendous a duty must exert an unfavorable influence on the exportation of these papers. As a matter of fact it will be exceedingly difficult to transact any business if higher duties are adopted. Moreover, such a high duty would be absolutely without purpose, for according to the statements of various large American importers the Americans are unable to produce a good quality of such thin special papers. Therefore all basic paper used for this purpose must come from abroad, and if No. 397 were further increased the consumers would have to use other thicker papers. The present duty is already unusually high and obstructive, and a higher rate would certainly entirely ruin the business.

Under No. 397 come also other special papers, such as copying, stereotype, and other tissue papers. In these varieties no business can be done even now, for the simple reason that such papers can not stand so high a duty. In past years we used to export considerable quantities of still other special papers, such as onionskin paper, to the United States. These were papers which even at that time could be manufactured by but very few factories in thinner weights than 30 g. per square meter. After they were included under No. 397 (paper weighing from 6 to 10 pounds) it was no longer possible to make any sales and we have not sold a single sheet since then in

America. The present duties on typewriter papers and similar varieties likewise render it impossible to transact any business with America.

We produce thin papers more than anything else, and in this one always runs a risk of having them taxed as tissue papers of 6 to 10 pounds weight, as just mentioned. We entirely agree with Mr. Glatz that the duty on ordinary tissue papers as well as on copying, stereotype, etc., papers is much too high and renders business in them impossible. At all events any increase of duty would in our opinion entail most serious results on our German paper industry.

[No. 398.]

#### ART PRINTING OR COATED PAPERS.

[Pamphlet 11, p. 1085 et seq.]

\* \* \* \* \*

The report of the manufacturers of coated papers to the Committee on Ways and Means contains comparisons of the cost of production of flinted papers in Germany and the United States. My firm, the \_\_\_\_\_, does not produce these papers. Moreover, the paper mills belonging to the Union of German Paper Manufacturers do not manufacture these papers, but they are produced by colored-paper (Bruntpapier) factories which belong to the paper elaborators. I have learned that one of these firms has been asked to report on these papers, and I will leave it to it to correct the data regarding the cost of production of coated papers in Germany.

[P. 1095.]

I should only like to state this much, that the data regarding the cost of production of these papers were not furnished by \_\_\_\_\_, but were published in the Paper Journal in 1902 and reproduced in the book entitled \_\_\_\_\_ by \_\_\_\_\_.

Wages have become much higher since that time. It must not be forgotten that the heavy contributions which German manufacturers have to make for sick, accident, and disability insurance are not included in these wages.

[P. 1097.]

The Americans thought that they had proven the cost of production of coated paper in Germany to be less than in the United States, and they therefore demanded a duty of 6 cents a pound on all coated papers.

Under these fall also the so-called "art printing papers" (coated book paper). These can even be produced cheaper in the United States than in Germany. Even the basic paper is produced more cheaply, because it is principally made of poplar or aspen wood pulp, which is produced in large quantities in the United States. The German paper mills have to obtain this pulp from America. In consequence of the freight and the import duty to Germany it is 15 to 20 per cent higher here than in the United States. The paper produced from it is naturally correspondingly dearer in Germany.

Neither is the cost of coating higher in the United States than in Germany. In 1898 I studied labor conditions in United States coating works which were friendly to me, and I found that the wages of the laborers were about twice as high, but that one laborer operated two or three coating machines, while in Germany a laborer can not be brought to operate more than one. Coated book paper can therefore rather be printed more cheaply in the United States than in Germany. Consequently it is not imported there from Germany and would not even be imported if the import duty were reduced instead of being raised. The desired import duty of 6 cents is about as high as the selling price in the United States. German printing offices therefore do not have any cheaper coated book paper at their disposal than American printing offices. As far as the paper is concerned, printed works can not be produced more cheaply in Germany than in the United States.

#### MARBLE AND AGATE PAPER.

[Pamphlet 21, p. 2716.]

\* \* \* \* \*

By the ambiguous designation "marble and agate paper" is therefore meant a surface-coated paper, or a coated and marbled paper. It is, therefore, not a product of the basic paper factories, but of the paper elaborating works or the colored paper (*Buntpapier*) factories.

As I gather from the extract, the fight is directed mainly against Belgium. As a matter of fact these coated papers are produced very cheap at Turnhout, Belgium, probably owing to the specially low wages. However, this paper-coating industry is also highly developed in Germany. \* \* \*

The manufacture takes place on a large scale, whereas the American witness assumes it to be done by hand and estimates the work performed by a laborer in a day to be 250 sheets (one-half ream). The intention is very plainly to lay it on thick and make the work performed appear small in order to magnify the difference in wages as compared with the high American rates.

I was interested to learn from the extract that this branch of manufacture is not yet carried on in the United States.

[Nos. 396 and 398.]

#### BLUEPRINT.

[Pamphlet 35, p. 5157.]

\* \* \* \* \*

The Americans undertake to make a similar comparison between blueprint paper and the basic paper used for photographic paper to that which they make between the American onionskin papers, which are a paper of quality, and the ordinary thin German note paper, which is an inferior paper. The American factories are in a position to produce just as cheap basic blueprint material as the German factories. However, what is lacking in the American product is the accuracy of workmanship and the regularity of the output. We

should have long ago lost the entire blueprint market in America if the Americans manufactured their article with the same care and thoroughness as the German factories. Since the American factories have been unsuccessful in doing this they now seek a remedy by demanding an import duty on blueprint paper which will be prohibitive. For this purpose blueprint paper is to be assigned to the same category as basic photographic paper. Photographic paper is a product of the highest perfection, costs the highest of any paper, and but few factories are able to produce it. Blueprint paper, on the contrary, is a paper of intermediate quality, being nothing more than a high-grade printing paper. The surface is not prepared in any way, as a rule not being even smoothed. The only thing that is required is firmness and constantly uniform quality. There is absolutely no reason for assimilating blueprint paper to basic photographic paper with regard to the tariff, not even because the customs authorities might not be able to distinguish basic photographic paper from blueprint. In the first place the quality of the two papers, as aforesaid, is entirely different, and in the next place the customs officials can tell the difference by the price alone. Blueprint and basic photographic paper are much easier to distinguish than blueprint and printing paper. At present large quantities of very good quality blueprint paper are being produced in America with the limitation above mentioned, the prices ranging from about 60 to 80 pfennigs. This is about as much as the duty on the German article would amount to if the propositions of the American interested parties not to treat blueprint as printing paper were to be adopted.

[No. 398.]

#### BASIC PHOTOGRAPHIC PAPER.

[Pamphlet 11, p. 1138.]

\* \* \* \* \*  
 In the printed hearings before the Committee on Ways and Means regarding the new American tariff the most noteworthy thing to me is the request made of the committee to increase the import duty on basic photographic paper, which was heretofore 3 cents an English pound and 10 per cent ad valorem, to 3 cents and 20 per cent ad valorem. In support of the request attention is called to the difficulties and at the same time the expenses which were encountered and incurred by the American firm before it was able to furnish a marketable product to the trade. I wish to state that when I began the manufacture of basic photographic papers my factory was entirely reconstructed and provided with machinery which required extraordinarily large expenditures in view of the exceedingly difficult process of producing this paper. Consequently the fundamental outlay on my factory was so high that it will take decades to pay it off. The manufacture of basic photographic papers at first involved great losses, as many years of experiments were necessary before a perfect product could be put on the market.

The American firm further mentions the great difference which is said to exist between the wages paid in the United States and Germany to machinists and to male and female laborers in paper mills. The figures given in the American report regarding the wages paid

in European paper mills completely lose their value if we compare an American paper mill with a German factory producing the same articles. As this is the case with my factory, I wish to point out that machinists earn from 7 to 8 marks a day in my employ, besides enjoying free dwelling, light, and heat. Furthermore, female laborers employed in assorting rags receive a salary of 3 to 3.50 marks a day. Then it must be taken into consideration that part of my workmen are lodged in houses built by me, for which they have to pay only a very small rent, which also constitutes a charge against the expenses of manufacture.

Besides the fundamental outlay, the current expenses render the operation of a manufactory of basic photographic paper very costly.

On the whole, I do not believe that the American factory is in anywise at a disadvantage as compared with its German competitors in regard to the cost of the product. On the contrary, it may be assumed that inasmuch as its customers reside in America, and it is therefore spared the freight by sea and the expenses connected therewith, it has a great advantage over the German competitors. This shows that the present tariff affords ample protection to the basic photographic paper produced in America.

#### APPENDIX.

[Extract from Paper Trade Journal, August 20, 1908.]

With reference to the possibility of American felts competing in Germany, the German duty on the article appears to be 80 marks per 100 kilograms, or \$8.80 per 100 pounds. As the German price for dry felts is said to be 68 cents per pound, a duty of  $8\frac{3}{4}$  should not prove a serious obstacle to competition, provided that the felt was made from improved wool on which the American duty could be refunded. On wire cloth the German duty seems to be only 18 marks per 100 kilograms, equal to \$1.98 per 100 pounds. Here, again, a drawback of the American duty would be necessary.

Although much commotion was made over the prospective effects of the new German tariff of 1906 on imports, the real difference involved by the recasting of its schedules has been that manufacturers now pay duties averaging 13 per cent, as compared with 16 per cent in 1905, while the duties even as they stand are on a much lower basis than here. The average duty on hardware in 1906 was 12 per cent (against 45 per cent here); machinery, 5 per cent (against 45 per cent); china and glassware, 4 per cent (against 60 per cent).

Taken on the aggregate, the three groups of German dutiable imports pay average duties as follows: Raw materials, 7 per cent; food products, 23 per cent; manufactures, 13 per cent; average, 18 per cent.

Openings in the European markets would now be welcome in our felt and wire industries, toward the utilization of which the above details will undoubtedly prove of service.

ASCHAFFENBURG, February 20, 1909.

A request was made before the Committee on Ways and Means (Tariff Hearings, pamphlet 11, p. 1085) by a number of American colored-paper (*buntpapier*)<sup>a</sup> manufacturers that the duty on surface-

<sup>a</sup> NOTE OF TRANSLATOR.—“Buntpapier” (colored paper) seems to be the German word corresponding to “surface-coated paper.”

coated paper, printed, wholly or partially coated with metal, etc., which has hitherto been 3 cents a pound and 20 cents ad valorem, be increased to 6 cents per pound and 20 per cent ad valorem; further, that the group "surface-coated papers, others not specially provided for," be increased from the present duty of  $2\frac{1}{2}$  cents a pound and 15 per cent ad valorem to 6 cents a pound.

The undersigned has consulted all firms engaged in this industry and exporting to America and takes the liberty of laying all the data collected, together with the original letters, before the imperial ministry of the interior. According to our own experience and to the communications received, the calculation of 50 reams of surface-coated paper which appeared in No. 39 of the Paper Journal of May 16, 1901, and which constitutes the basis of the request of the American colored-paper manufacturers, is incorrect and by no means in accordance with present conditions. Mr. August Weichelt, who has been out of the paper business over ten years, disclosed his former experiences. However, conditions are entirely different to-day. Wages have about doubled, the expenditures for taxes, sick, old-age, and disability insurance, as well as other expenses, burdens, etc., which are not known at all in America, have become so high and so onerous that they play a rôle in an individual calculation which is not to be underestimated. In short, all will agree that a serviceable surface-coated paper can not be produced at the quoted price of \$1.19 per ream.

In the report of the transactions there is a comparative table showing the wages paid in America and those alleged to be paid in Germany in the colored-paper industry.

In accordance with our inquiries and our own experience we must characterize these data as absolutely false and misleading. In the following table we have indicated the wages actually paid.

*Table of comparative wages paid in Germany and the United States in the surface-coated paper industry.*

	Wrong figures as given.	Germany, correct wages.		Ameriea.
		Marks.	Per day.	
Color-machine tender.....	1.80	5 to 7 marks=\$1.25 to \$1.75	\$1.75	
Flint or finishing machine tender .....	1.40	7 to 8 marks=\$1.75 to \$2.00	1.50	
Color-room bosses.....	4.00	6 to 8 marks=\$1.50 to \$2.00	2.25	
Average wages skilled male faetory help .....	2.50	3.5 to 6 marks=\$0.90 to \$1.50	2.00	

(Tariff Hearings, pamphlet 21, pp. 2716-2717.)

A request was made by Mr. Newbery, of the Domestic Paper Company, of New York, that the duty on marbled papers and agate marble, which are rated at  $2\frac{1}{2}$  cents and 15 per cent ad valorem under the class of surface-coated papers not specially provided for, be doubled, his grounds being that several thousand persons are employed in the production of these papers in Germany and Belgium. From the very grounds alleged it is shown that this gentleman has no idea of the extent and magnitude of the sale of these papers. His hopes of being able to profitably employ several hundred persons in case an increased protective tariff is adopted exist only in his fancy. The

actual consumption in the American market is not large enough to enable him to find work for a dozen persons. In all the German colored-paper factories put together hardly 50 persons are now employed, and in Belgium not over 100 to 150 at the very most. Moreover, the production of marbled papers is not so simple a matter as the petitioner seems to believe. It is an art which must be learned from youth and is transmitted from workman to workman. The inevitable consequence of an increase in tariff will be to make it exceedingly difficult for the consumers of marbled papers to obtain this necessary raw material; indeed, the procuring of it would be made to a certain extent impossible.

The American colored-paper factories which made the request for an increase in duty had to admit that the imports of surface-coated paper during the four years from 1903 to 1907 had only increased by a small amount, although the consumption had enormously increased in America during these years. If the importation figures of the year from June 30, 1907, to 1908 had been taken, or else the whole year of 1908, an entirely different result would have been obtained, and it would have been more in conformity with the facts. The year 1906-7 was a period when the trade was at its highest.

It is shown clearly and distinctly from the figures of shipments given in various original letters, as well as in our own, that the year 1908 showed a great slump, the exports to America diminishing to less than half or almost to one-third.

The increase in the imports to America in the preceding years affected chiefly surface-coated paper, the present tariff having been practically prohibitive to a number of other kinds of colored paper. The production of these papers was taken up gradually by the American colored-paper manufacturers, and the export thereof is disappearing from year to year. In the case of a number of kinds of colored paper the observation had to be made that the cost price in America, including freight and duty, is higher even under the present tariff than the American selling price, this being especially the case with fancy colored papers produced by lithography, and brocade ornament, according to the table transmitted with our report of July 27, 1906.

The American colored-paper industry has by no means fared badly under the present tariff. Almost all the factories have made considerable enlargements, notably the firm of Louis Dejonge & Co. in 1907, which trebled the capacity of its factory at Fitchburg, Mass. The writer of these lines saw personally that 120 rollers for the production of surface-coated paper after the German method had been installed.

In Canada, Mexico, Cuba, and throughout the West Indies the American colored-paper manufacturers compete with Europe and send considerable exports thither.

#### MEMORIAL ON THE TARIFF HEARINGS BEFORE THE COMMITTEE ON WAYS AND MEANS REFERRING TO DUTIES ON SURFACE-COATED PAPERS, ETC.

The tariff hearings referring to duties on surface-coated papers have been conducted with great thoroughness by the American Government committee, especially with regard to the details of the present and of the proposed rates of duty and with further regard to the protection of the American workman.

However, as there was not amongst the committee a member thoroughly acquainted with the great variety of papers belonging to this class, the repre-

sentative of the American manufacturers did not meet with many technical objections from the committee. He could therefore make believe to the committee that only glazed (flint) papers were imported to the United States and that all the other colored and fancy papers coming under the above heading were of no interest to the consumer.

The statements of Mr. Faber were from the beginning directed to protect the American manufacturers of glazed papers, because this line is simple to manufacture, especially for the quick-running American machines which turn out large quantities, and a still higher rate of duty would soon lead to creating an American trust of glazed-paper mills.

Going into the details of Mr. Faber's assertions, all the important ones must be termed as contrary to facts. He says that in Germany there are 75 colored-paper mills, and in the sense of his statement one should have to think that these 75 mills manufacture hardly anything than common glazed paper for the export from Germany to the United States. The fact, however, is that the number of German colored-paper mills does not exceed 45, and not more than 6 of these push the export of glazed papers to the United States.

As main argument for an increased duty, which would then be about 80 per cent on the value, Mr. Faber put before the committee a calculation, of which he asserted that it was given by Geheimen Regierungsrat Dr. Carl Hofmann as the result of his inquiries made at the German colored-paper mills.

Necessarily a calculation coming from such authority was of a convincing power; perhaps if the hearing would have lasted a little longer a member of the committee would have inquired about the origin of this calculation.

The matter was then very carefully gone into in Germany, with the result of a long research that the calculation, termed by Mr. Faber as of the greatest importance, never came from any inquiry made at German colored-paper mills.

It was found that this calculation was a private opinion. From the following declaration of Doctor Hofmann, affirmed before the United States general consul in Berlin, it may be taken how little this proof submitted by Mr. Faber can be applied to the present cost of production. The original of this declaration, which has been handed to the United States Government through the American union of paper-box makers, reads as follows:

*"Consulate-General of the United States of America, City of Berlin, Empire of Germany:*

" I, Sigismund Ferenczi, responsible editor of the Papier-Zeitung since 1896, declare herewith before the American consul-general in Berlin as follows:

" In the tariff hearings before the Committee on Ways and Means of the House of Representatives, Mr. H. B. Faber, as representative of the American manufacturers of coated papers, gave on the 21st of November, 1908, a declaration in which he tried to prove that in consequence of lower cost of production in Germany the American manufacturers of glazed papers were in a much worse position than the German ones. Mr. Faber supported this statement by an article represented as the result of an inquest made by the publisher of the Papier Zietung, Mr. Carl Hofman. I declare to this: Neither I nor the publisher of the Papier-Zeitung, Dr.-Ing. Carl Hofmann (who authorized me to state this in his name), ever have made an inquest amongst the German manufacturers of coated papers about their costs of production, as Mr. Faber erroneously states.

" The article in the Papier-Zeitung mentioned by him has appeared in No. 39 of the year 1901, May 16, and contains private notices of Mr. August Weichelt, which might then be of old date. Mr. Faber gave neither the date of the article nor of the notices. These apply to one single case and to one special mill. As far as I know, the wages have considerably risen in Germany these last eight years, and are in some parts of Germany much higher than in others. Therefore it is misleading to produce the above-mentioned article in the Papier-Zeitung as a proof for the present costs of German coated-paper manufacturers in making glazed papers."

" Affirmed to and subscribed before me this 3d day of February, 1909.

" FREDERIC W. CAULDWELL,

" Vice and Deputy Consul-General of the United States of  
" America at Berlin, Germany."

Mr. Faber asserts that the raw paper and the colors used in Germany are cheaper, but it is a well-known fact that ordinary paper for coating purposes is cheaper and better in the United States than the same quality in Germany.

That colors and chemicals are more expensive in the United States would appear credible, because a number of same has to be imported, with a high duty upon them; but Mr. Faber's own lists prove that even the cost for colors and chemicals is (in percentage) higher for the German than for the American manufacturer. The following figures are based upon Mr. Faber's lists:

*Cost (in percentage) of production of stone-flinted glazed paper.*

A. United States (p. 1095) :	Per cent.	B. Germany (p. 1096) :	Per cent.
Paper -----	34.6	Paper -----	42
Color -----	19.5	Color -----	21
Labor -----	21.8	Labor -----	8
General expense-----	24.1	General expense-----	29
	100		100

Mr. Faber's assertions state that in Germany paper and color come cheaper than in America: his lists, however, show that in the United States the cost for paper is 7.4 per cent and for color 1.5 per cent lower than in Germany.

And the report expressly mentions that the American calculation is the average of 5,000 orders calculated within three years.

Mr. Faber says that the American friction-glazed paper is an imitation inferior in quality to the German stone-glazed paper, but the American manufacturer was compelled to the making of the imitation because only thus he could save in the cost of labor.

This statement, too, is contradicted by Mr. Faber's lists. On page 1095 he puts the cost of labor for American stone-glazed paper at 21.8 per cent, and at the foot of the same page the cost of labor for American friction-glazed paper is put down at exactly the same, of 21.8 per cent. Furthermore, Mr. Faber's lists show the general expenses in Germany at 29 per cent; in the United States, however (for the same stone-glazed quality), at only 21.1 per cent. The American, therefore, enjoys a saving of about 5 per cent initial costs, and this is easily explained by the fact that the American manufacturer is not burdened with expenses for sick and accident insurance, income tax, etc.

At the end of his brief Mr. Faber gives a schedule of wages, stating the wages for skilled male labor in Germany at 2 marks to 2.50 marks per day; in America at \$2 to \$2.50. At the rate of 2 marks per day not even a boy laborer of 14 years can be had in Germany nowadays.

It may be mentioned that surface white-coated papers of high specific weight have, under the present rate of duty, since a number of years ceased to be exported from Europe to America.

Drawing a conclusion from all the above, it can be said that most of the assertions contained in Mr. Faber's report have neither been proved by him, nor can he prove them.

As regards the money-losing state of the American colored-paper mills, such a state can not be gathered by comparing in Dun's or Bradstreet's reference books the ratings of these mills in 1898 and in 1908; they all show very considerable betterments. The American paper-box manufacturers have the utmost interest that the duty on surface-coated papers should not be increased, but lowered.

The paper-box factories in the United States have continually grown, especially since the United States have commenced a large export trade in shoes, textile goods, hardware, foodstuff fabrics, cigarettes, for all of which there is a large amount of paper boxes required.

The export of fancy papers from Germany to the United States has, however, not only failed to grow in proportion to the increased demand for boxes, but a large amount of paper boxes required.

If, however, the proposed rate of about 80 per cent for glazed papers should go into effect, the paper-box manufacturers would be the most severe sufferers, because, contrary to Mr. Faber's statement on page 1087, the price of the covering papers in percentage is an important item, especially with the cheap class of boxes, where a fraction of 1 cent must be taken into consideration. From a rough statistic it may be taken that, in round figures, the American factories of paper boxes, account books, paper toys, parlor games, etc., employ 200,000 workmen, against 3,000 in colored-paper mills; and it may be added that the increased rate of duty applying also to the higher grade of gold, silver, and fancy metal papers would not even serve to the interest of the American colored-paper mills, who have never tried to manufacture these goods nor claimed that they could do so, even with a high duty.

## SCHEDULE N.—SUNDRIES.

[No. 410.]

## BRUSHES.

[Pamphlet 21, p. 2648 et seq., p. 2653 et seq., p. 2743 et seq.; pamphlet 36, p. 5339 et seq.]

Among the opinions communicated to the Chamber of Commerce of Nuremberg regarding the American statements in relation to the brush industry, the following is worthy of notice:

[Pamphlet 21, p. 2743.]

The firm of John L. Whiting, J. J. Adams Company, Lew. C. Hill, says at the beginning of its letter that it employed 1,000 to 1,100 persons in its own factory, to whom \$275,000 to \$350,000 are paid in wages, including men and women. The average would therefore be \$285.50 per laborer. Such an average wage, however, is not even one-half higher than the average rate paid in German factories to men and women. The statement that large quantities of brass, copper, steel, tin plate, leather, tacks, polish, etc., are used in the manufacture of brushes is not in accordance with the facts, for these materials are used only to a very slight extent in brush manufacture. The chief materials used in the making of brushes are bristles and wood. Whereas the bristles must chiefly be obtained from the regions of east Prussia and China, all the fine woods used in brush making come from the West Indies, South America, and the East Indies. When the American manufacturers characterize the German wages as being too low, they seem to have in mind the conditions which existed in Germany twenty or thirty years ago. But even at that time they were not as low as the American manufacturers state. However, within twenty-five years wages in Germany have considerably increased, due chiefly to the fact that most laborers are organized and form a powerful corporation, which has enabled them to constantly increase wages by means of strikes. That wages have so greatly increased within the last few decades is also partly due to social legislation, which greatly burdens both employers and employees by contributions to sick, old age, invalidity, and accident insurance funds. Within the last few years especially, however, all articles of luxury and necessity in Germany have greatly risen in price and necessitated an increase in wages.

[Pamphlet 21, p. 2747.]

The statements of the A. L. Sonn Brush Company do not agree very well with those of the firm of John L. Whiting in regard to American wages. The former firm gives the average rate of wages in foreign countries as 25 cents a day for men and 15 cents for women, whereas, in reality, men earn 100 cents per day and women 50 cents. The statements of this firm regarding the wages paid for labor in America, namely, \$2.50 a day for male and \$2 for female labor, seem to be decidedly too high and do not agree with the statements of the firm of John L. Whiting.

Children are hardly employed at all in factories in Germany, because the social-political laws place great difficulties in the way of employment of children.

The wages paid for one dozen toothbrushes are as follows:

	Marks.
When the selling price is 3 marks-----	0.67
When the selling price is 4 marks-----	.73
When the selling price is 5 marks-----	.77

It is not difficult to see that an import duty of 40 per cent ad valorem will doubly and even trebly offset the difference existing in general between wages paid for labor in America and Germany. Only those kind of brushes can be exported to America which are not manufactured in the latter country itself. No kinds which are made in America can be exported to that country by European manufacturers, because it is impossible to compete with the American manufacturers. We should like, for instance, to point to the flourishing industry at Troy, N. Y., and neighboring towns, where cement brushes are manufactured in vast quantities. An European manufacturer could not think of exporting such brushes to America, which constitute a considerable part of the American brushes. It would be impossible to export such brushes to America even with an import duty of 20 per cent ad valorem.

Celluloid toothbrushes and solid-back brushes are not manufactured in the United States, and therefore constitute a considerable part of the German exports to America.

It is true that brushes are still manufactured in certain prisons in Germany in order to employ the prisoners. However, the only kinds made there are very common brushes of inferior quality, which are not exported to the United States for the very reason that this inferior product can not pay the high American import duty. We can furnish proof that we have frequently been informed by our American customers that they could no longer buy certain kinds of us because they could procure them cheaper in America.

The various American manufacturers make such diversified statements in their reports to the House of Representatives regarding the wages paid for labor in the United States that the conclusion may be drawn therefrom that the data were not very accurately compiled.

For instance, the wages paid per year are given as follows:

	Male laborers.	Female laborers.
A. L. Sonn Brush Co.....	\$750.00	\$600.00
John L. Whiting (average).....	465.00	\$285.50
The United Manufacturers of Grand Rapids .....	465.00	270.00

The data furnished by the American manufacturers regarding the wages paid for labor in Europe, and especially in Germany, show similar discrepancies.

## BRUSHES.

[Pamphlet 21, p. 2648 et seq., p. 2663 et seq., p. 2743 et seq.; pamphlet 36, p. 5339 et seq.]

The following is extracted from the opinions given to the Chamber of Commerce of Nuremberg regarding the American statements anent the brush industry:

[Pamphlet 21.]

The American wages are given as follows:

A. L. Sonn Brush Company, Troy (p. 2746) :

Men, \$2.50 per day, or 63 marks per week.

Women, \$2 per day, or 50.40 marks per week.

Boys, \$1 per day, or 25.20 marks per week.

Grand Rapids Brush Company, Grand Rapids (p. 2749) :

Average wages \$1.55 per day, or 39 marks per week.

Ames Bonner Company, Toledo, Ohio (p. 2652) :

Men, \$1.92 per day, or 48 marks per week.

Women, \$0.77 per day, or 19.40 marks per week.

Boys, \$0.62 per day, or 15.60 marks per week.

Florence Manufacturing Company, Florence (p. 2656) :

Men, 15 to 35 cents per hour (0.63 to 1.47 marks.)

Women, 10 to 20 cents per hour (0.42 to 0.84 mark).

Rennous, Kleinle & Co., Baltimore (p. 5342) :

Men, \$2.43 per day, or 61.25 marks per week.

Women, \$0.78 per day, or 19.65 marks per week.

Boys, \$1 per day, or 25.20 marks per week.

How far these statements are correct can probably best be ascertained by the representative of the German Government in the United States.

With regard to the German wages which are compared with these American wages, the following statements were made by the American parties interested:

A. L. Sonn Brush Company, Troy (p. 2747), stated that the following wages were paid "abroad:"

Men, \$0.50 per day, or 12.60 marks per week.

Women, \$0.15 per day, or 3.80 marks per week.

Grand Rapids Brush Company, Grand Rapids (p. 2749) :

Germany, \$0.60 per day, or 17.65 marks per week.

Hanlon & Goodman, New York (p. 5352) :

Nuremberg, Brandenburg, Schonheide, Totenau, 7 to 10 marks per week, and in some cases only 4 to 5 marks per week.

In contrast to these statements we may set forth that the average wages in the German paint brush and ordinary brush factories are as follows:

1. In Nuremberg:

Men, 25 marks per week.

Women, 12.50 marks per week.

(Skilled laborers, 30 to 39 marks per week.)

(Skilled women, 15 to 21 marks per week.)

2. In Erlangen:

Men, 25 marks per week.

Women, 12 marks per week.

3. In Munich:

Men, 30 marks per week.

Women, 13 marks per week.

4. In Totenau (Baden) :

Men, 21 marks per week.

Women, 11 marks per week.

5. In Schonheide (Erzgebirge)
  - Adult male workers, 19 marks per week.
  - Youthful male workers, 12 marks per week.
  - Adult female workers, 12 marks per week.
  - Youthful female workers, 9 marks per week.
6. In Bonn on the Rhine:
  - Skilled workers, 30 marks per week.
  - Skilled female workers, 16 marks per week.
7. In Bergedorf, near Hamburg:
  - Men, 30 marks per week.
  - Women, 15 marks per week.
8. In Striegau (Silesia):
  - Men, 21 marks per week.
  - Women, 11 marks per week.

The American statements are therefore wrong and should be corrected as above.

The complaints of the Americans regarding their inability to compete with the German manufactures must be greatly exaggerated. Thus, for instance, the Grand Rapids Brush Company admits that with a protective tariff of 40 per cent on English and French goods it still stood on an equal basis with the English and French goods, and therefore asks a duty of 45 per cent to 50 per cent only on the articles of German manufacture, because it estimates the German wages to be  $33\frac{1}{3}$  per cent less than the English and 10 per cent less than the French. However, as is shown in the foregoing rectified statements, the estimates of the foreign wages by the Americans are wrong throughout; that is, to low.

Pamphlet 21, pages 2665-2666. Furthermore, it is probable that the great difference cited by the Grand Rapids Brush Company as existing between the hours of labor in America and Germany is also incorrect, for here in Nuremberg, for instance, the length of hours of labor is not over fifty-four and one-half hours per week. The American hours of work are probably hardly any shorter, even without considering the fact that, as experience shows, slight differences in the length of hours are always made up by greater exertion in the work.

#### FOOTWEAR.

[Pamphlet 37, p. 5542.]

The following communications have been made to the Chamber of Commerce of Nuremberg by shoe manufacturers. The wages cited on page 5542 of the tariff hearings, as well as the statement regarding the length of hours of work, are not at all in conformity with the facts.

The wages paid in our factories for our staple articles are considerably higher than those quoted by the Americans and are to-day at least as high as those quoted by the Americans under the heading of France and England.

	Canada.	England.	France.	Massa-chusetts.
Cutters.....	\$1.50	\$1.30	\$1.35	\$2.40
Lasters.....	2.00	1.34	1.60	2.65
Stitchers.....	1.49	1.05	1.25	2.28
Heelers.....	1.42	1.22	.77	3.72
Edge setters.....	1.67	.....	.....	3.69
Finishers.....	1.73	1.30	1.06	3.11

Moreover, the length of hours which has been in vogue here for years is not fifty-nine hours, as quoted by the Americans, or even sixty to seventy-two hours, but, according to proofs, only fifty-four hours. (In America the number of hours is greater than fifty-four.)

The rate of wages of \$1.66 to \$5.23 per week, as further cited by the Americans, is likewise not in accordance with the facts. On the contrary, our workmen in these categories receive from 27 to 32 marks per week during dull periods, this rate being raised to 37 and 42 marks per week when there is a greater abundance of work.

We believe that the exaggerated daily rates cited by the Americans under Massachusetts are not understood as being paid during periods when the amount of work is regular, but for exceptionally busy periods and probably for specially fine and better paid articles, but not for staple articles. Besides, as a matter of fact, only the yearly income should serve as a criterion.

The American wages cited, although they do materially exceed those paid by us (yet not to the extent stated), by no means indicate a materially higher cost of production among the Americans than among their European competitors, for it is proven that the aggregate amount of all wages paid up to the completion of a boot is on the whole but slightly higher than the aggregate wages of Europe, in spite of the higher earnings of the American laborer.

This strange circumstance is due to the fact that American methods of labor, thanks to their habit of specializing, affords a considerable advantage over the European methods, and furthermore to the fact that the American laborer (this must be willingly conceded) works harder than the European laborer although, to be sure, his energy also becomes exhausted sooner.

#### LEATHER.

The Union of German Leather Manufacturers reports as follows:

##### *No. 1.—In general.*

Throughout the statements made before the Committee on Ways and Means the assertion stands out conspicuously that the German leather manufacturer has about 10 per cent to 15 per cent lower cost of production than in the United States. If this were really generally the case, the Americans could not pay freight and the German tariff and still compete in the German market with the German leather industry, which is equal to theirs in quality in every class of goods, and nevertheless this is the case with certain articles. We will point out that the Americans exported 1,865 dozen tanned goat hides to Germany in 1907, and 2,560 dozen in 1908. As this is a high-priced article, the value of these American exports to Germany is considerable (4,300,000 marks in 1907 and 5,900,000 in 1908). Moreover, in upper leathers, in harness, pocketbook, etc., leather, and in sheepskin leather, there have been imports from America. Therefore the above-mentioned assertion can not be correct with respect to all kinds of leather.

Another assertion found almost throughout is that the German leather is better than the American, and that for this reason also the

American leather industry must be protected in the home market against foreign competition by means of high protective tariffs. It is true that this argument is correct with respect to certain kinds of leather, as, for instance, patent calf leather and kid. It is equally true, however, that owing to climatic conditions the Americans would not be able to produce as good patent calf or kid as the Germans, at least for the time being. The German exports of patent calf have really considerably decreased. Up to 1906 patent calf was not specially listed among the fine leathers, and so it can not be ascertained what the amount of exports was. In 1907 the exports amounted to 707 dozen and in 1908 to only 447 dozen. Likewise the exports of kid fell from 3,489 dozen in 1907 to 2,475 dozen. The decrease is partly attributable to the economic crisis. However, even if the exports of these two articles were still less, this would not prove that the Americans had equaled the German quality in these articles. If the high American duties force these fine German leathers more and more out of the American market, it will redound to the injury of the American leather-goods industry and the American consumer, for inferior American leather will simply take the place of the good German leather. In other kinds of leather the American is by no means behind the German, as is shown by the imports of American leather to Germany and its competition in the world market.

Then the assertion is constantly repeated that hides and tanning materials are more highly taxed in America than in Germany. It must be admitted that the duty of 15 per cent on raw hides in America burdens the American leather industry. However, this duty is refunded on exported goods. Germany also has duties on tanning materials, and although chrome salts are not taxed and therefore the principal tanning material for chrome leather is free of duty, nevertheless the chrome-salt trust in Germany has a tendency to increase the price. However, we must point before all else to the fact that the German leather industry, the same as all German industry in general, has a considerable burden to bear which is unknown in America, brought about by the social-political laws. Indeed, this does not consist alone in pecuniary sacrifices, but it involves restrictions in manufacture, and both of these factors are unknown in America.

The American producer, and especially the manufacturer of leather goods, enjoys a great advantage over the Germans in that machinery was introduced much earlier and to a much greater extent in America than in Germany. The German laborers, although themselves not inferior to the American, are not yet so skillful in using machines as the latter.

That the German leather industry has to pay at least as much in freight on its raw materials as the American is certain. German leather manufacturers obtain over half their hides from abroad, and likewise their tanning materials, which are of vegetable origin. The only thing that can be conceded is that the wages are somewhat less in Germany. However, as before stated, the Americans have better and more machinery, as well as laborers who are trained to operate them, and this use of machinery certainly compensates the difference in wages.

No. 2.—*In particular.*

Statements are not made in the tariff hearings regarding all kinds of leather, an attempt having been merely made to justify the present high duties in America with respect to certain kinds. We will discuss the following classes of leather:

(a) Calf-leather manufactures (pamphlet 43, p. 6332 et seq.; also several other pamphlets in which the same statements occur).

The calf-leather manufacturers have, according to this report, a yearly value in North America of \$40,000,000 to \$50,000,000, or an average of \$45,000,000. The value of the raw materials is, according to American figures, 74 per cent of the alleged manufactured products, or about  $33\frac{1}{2}$  million dollars. According to the same authority, the imports of calfskins from Europe amount to about 70 per cent, with a value of about  $23\frac{1}{2}$  million dollars, or about 98,000,000 marks. The value of the manufactured American calfskins accordingly amounts to about \$10,000,000, or 42,000,000 marks.

At an average value of 8 marks per skin, which, in view of the Russian and Scandinavian skins imported, is a very high estimate, the original value of the imported calfskins would thus represent about  $12\frac{1}{4}$  million skins. We are not in possession of the statistics regarding the total imports of European calfskins to the United States, but will attempt to make an estimate. According to the figures before us, the following were the average exports to the United States during the last few years: From Germany, Austria-Hungary, and France, together, about 2,420,000 skins. The figures for Russia, England, Italy, Spain, and Scandinavia are still lacking. The exports from Russia are partly included among those from Germany, as the German raw-hide dealers for the most part control the Russian calfskin business and sell much of these goods from Frankfort on the Main, Berlin, etc. Without making allowance for this, the total exports from Russia to America can not amount to more than  $2\frac{1}{2}$  to 3 million skins at the most, so that the export of these skins from Russia directly to America is very highly estimated at 2 to  $2\frac{1}{2}$  million skins per year. The exports of calfskins from England, Italy, and Spain, if, indeed, any are exported at all, are so small that the figures representing them need not be taken into account. Scandinavia can not export over one-fourth million calfskins at most, as the bulk of the skins produced there are always used in Europe.

If, therefore, the total exports of calfskins from Europe to America are estimated at 5,000,000 to 6,000,000 skins per year, this number will represent the maximum of the exports in question, and is probably but seldom reached, and then only under very extraordinary circumstances.

An exportation of 12,000,000 calfskins, as is asserted by the Americans to take place from Europe, is absolutely impossible. This number is all out of proportion to the total number of skins produced in Europe, of which it is known that far the larger part is manufactured into goods right in Europe. The American statement is therefore incorrect.

As far as the purchase of calfskins is concerned, America certainly is, as stated in the hearings before the commission, dependent on commissioners and dealers in order to supply her needs of European

skins. However, the European manufacturer is not much better off in this regard, for he is also obliged to buy from dealers through commissioners or purchasing agents. The amount which he is able to procure through his own buyers is very slight and is largely confined to the immediate vicinity of the factory. In our opinion, therefore, the American is in about the same position as the European manufacturer with respect to purchases in Europe, with the exception of the difference of the freight by sea, which amounts to about 1 per cent of the value of the raw material. The European manufacturer has a similarly increased cost when he purchases American skins, which are occasionally imported into Germany in considerable quantities.

All the statements in the tariff hearings are therefore based on data which will not bear close scrutiny, as far as they relate to purchases.

Just as we have refuted the calculation of alleged increased costs for freight and commission on calfskins imported from Europe (alleged to be 4 per cent of the value of the skins), we shall also show that the other statements regarding the cost of manufacture are incorrect. The calculated figures for wages, materials, and other expenses are based on a wrong assumption. The wages are said to be 50 per cent and the materials 25 per cent less in Germany. The following table is compiled to show the alleged lower costs in Germany:

	Per square foot.
Freight and buying expenses, 4 per cent of the value of the skins-----	\$0.0048 = 0.02 mark
Wages, 50 per cent of \$0.019276-----	.0096 = .04 mark
Materials, 25 per cent of \$0.013842-----	.0034 = .01 mark
	<hr/>
	.0178 = .07 mark

According to these assertions the German manufacturers produce about 7 pfennigs per square foot (equals 11.04 per cent of the total price) more cheaply.

This result is by no means in accordance with facts. The cost of materials here is the same as in America. Although the wages range somewhat lower than in America, our other expenses are materially increased by industrial taxes, etc., and the contributions required by the laws on the making of provision for laborers (sick, disability, and accident insurance) and the voluntary benefit institutions.

Our total cost price per square foot (value of raw material, wages, materials, and other expenses) is 69 pfennigs, while this price only amounts to 68 pfennigs in America, according to a Boston leather manufacturer. In both calculations the value of the raw material is taken to be the same. This shows that the cost of manufacture in Germany is not 7 pfennigs per square foot cheaper, as asserted by the Americans, but 1 pfennig higher.

(b) Sole leather (pamphlet 47, p. 7086).

That the cost of production of sole leather must also be cheaper in America than in Germany is evidenced by the fact that German sole leather has no more dangerous competitor in the world's market than the American and the English. In the place indicated above, the firm of J. W. & A. P. Howard & Co. says that the regular trained tanners who work at the scraping block in sheering (scraping), cleaning, and stretching the rawhide, earn about 25 marks a week in German sole-leather factories. This is also false. In the North German sole-leather factories, a large part of which figure in the world's

market as competitors of the Americans, 36 to 40 marks a week are paid to workers at the scraping block, according to the amount of work performed, and not 25 marks. This would be from \$8.50 to \$9.50 as against \$12 to \$15, which are claimed by the said firm to be paid in America. In this, as well as all other heavy classes of leather, as well as leather in general made from hides, it must be taken into consideration that the larger part of the raw hides and tanning materials are obtained in the United States at home, while Germany, as mentioned above, as a rule has to obtain the greater portion of her hides abroad. The tanning materials for sole-leather products must all be obtained abroad, with the exception of oak and pine bark.

(c) Glove leather (pamphlet 47, pp. 7069-7073).

The statement that female labor is employed in the preparation of kid leather which is exported to the United States from Europe is not correct. In Germany women are employed as assistants only in very rare cases in certain kid-leather factories. The wages cited by the Americans are not correct, for the actual wages are as follows:

In the tannery, about \$5.83 to \$6.92 a week.

In the dressing establishment, about \$6.90 to \$8.57 a week.

In the dyeing section, \$5 to \$6.31 a week.

On page 7073 the wages of dyers at Berlin are given as 20 to 23 marks. This was the case years ago, but now a dyer's wages are 26.50 marks. As stated above, the American kid-leather industry is of no significance as regards quality, and neither is it so with respect to quantity. For the simple reason of the difference in quality it would be unable to supply the principal part of the American demand. The retention of the high tariff would therefore result in compelling the consumer to continue paying higher prices in America in future.

With regard to the American and German duties on leather, the following has been reported to the Chamber of Commerce of Mannheim:

America collects 20 per cent ad valorem on our calf and goat skins, tanned, dressed, and made ready.

Patent leathers weighing not over 10 pounds per dozen hides, 30 cents a pound English in addition to 20 per cent ad valorem; weighing 10 to 25 pounds, 30 cents per pound English and 10 per cent ad valorem, we having none weighing over 25 pounds per dozen.

Calculated entirely according to the value, the duty amounts to about 40 per cent on patent leather under 10 pounds, and about 30 per cent on the same from 10 to 25 pounds.

The German duties on the same articles are as follows:

Under No. 546 of the tariff, net weight 1 to 3 kilos apiece, 40 marks per 100 kilos.

Under No. 547, net weight, under 1 kilo apiece, 50 marks per kilo.

Under No. 549, goat and kid leather, 80 marks per 100 kilos.

Under No. 552, patent leather of all kinds, 50 marks per 100 kilos.

In the case of the heavy tanned, polished, and patent leather, this signifies an ad valorem duty of 4 to 6 per cent; in the case of the light chrome leather, 2 to 3 per cent; and in the better goat leathers, such as are exported by America, 2 to 3 per cent, and not 12 per cent, as erroneously stated by the Milwaukee and Boston factories, therefore

2 to 6 per cent German duty as against 20 to 40 per cent American duty.

The correctness of these statements will be shown by the following calculation:

One dozen polished leather A 24 kos., at 7.10 marks, 170.40 marks; tariff No. 546, 1 to 3 kilos apiece.

Forty marks per 100 kilos, 24 kilos: 9.60 marks=5.6 per cent.

Tariff No. 547, under 1 kilo, 1 dozen tanned colored leather 100 B at 1 mark, 6 kilos per dozen, 100 marks.

Fifty marks per 100 kilos, 6 kilos=3 marks=3 per cent.

One dozen box calf, 120 B at 1.10 marks, 8 kilos per dozen, 132 marks.

Fifty marks per 100 kilos, 8 kilos=4 marks=3 per cent.

Tariff No. 552, 1 dozen patent leather B mixed 5 kos., 72 marks.

Fifty marks per 100 kilos, 5 kilos=2.50 marks=3.5 per cent.

Tariff No. 549, 1 dozen goatskins, 60 CK at 1.10 marks, 66 marks.

Eighty marks per 100 kilos, 2 kilos per dozen=1.60 marks=3.4 per cent.

Apparently the American manufacturers calculate the higher French duties also for Germany, or reckon the duties on cheap assortments of less than average value.

The exports of patent leather decreased from \$1,270,214 in 1900 to \$203,267 in 1908, while the American consumption, according to the statement of American manufacturers, amounts to over \$25,000,000 worth of American patent leather, so that only 1 per cent of the consumption of patent leather is still imported to America; and in view of the enormous duties even this fraction would have disappeared by this time if it had not been that a small demand for German patent leather still existed. This demand can not be supplied by the American industry, for the reason that owing to climatic conditions it has hitherto been impossible to produce a patent leather in America varnished on the meat side of the leather.

The American patent leather is prepared on the fur side of the hide and is produced in an entirely different method and used for different purposes than the imported German product.

A comparison of the materials and cost of labor in producing these two kinds of leather is therefore impossible. It is evident, however, that it will cost considerably more in wages to varnish a hide on the raw meat side, since it must first be made smooth by difficult laboring processes, than to varnish it on the fur side, which is naturally smooth, as is done in America.

All American calculations of the cost of labor are based on the German daily wages, which are not so high as the American, and no mention is made of the fact that the German wages have risen and are still rising at a much more rapid rate than in America. Thus, the average daily wages to-day are fully 29 per cent more than ten years ago. (See supplement to this document.) Furthermore, in making a comparison the daily wages should not be taken as a basis, but the cost per piece, as the chairman of the Ways and Means Committee himself very appropriately answered. As a result of the high wages the American manufacturers have introduced machine work in place of hand labor to a much greater extent than in Germany.

Moreover, the amount of work which the American laborer is capable of performing is greater, on the whole, than that of the German laborer.

Finally, the best proof that the American cost of production is not higher than the German is found in the fact that American leather is always cheaper right in America and in duty-free England than the similar products and assortments of German origin. The assertion that the German leathers are cheaper is therefore incorrect. The fact that the consumption of German leather in foreign countries has increased notwithstanding this is due to quality, and does not change the above-mentioned facts in any way.

The oldest merchants in Berlin have the following remarks to make regarding the cost of transportation which have to be borne by the German and American manufacturers:

On page 5590, paragraph 7, it is asserted that in America the wages are 50 to 60 per cent and the prices of tanning materials about 33 per cent higher than in Germany, and that the foreign patent-leather manufacturers can sell the finished product in America about 15 per cent cheaper than the American manufacturer. With respect to this we are informed by experts here that the wages paid in Germany to tanners, parers, and varnishers amount to 25 to 36 marks a week of eight to nine hour days, while in the United States the laborers in the patent-leather factories receive from \$1 to \$2 per eleven-hour day. Patent-leather factories in the United States are not located in the large cities, but partly in small country towns (Little Falls, Fond du Lac, etc.), where living is little dearer than in Europe, and partly in the suburbs of large cities (Boston, Milwaukee, Newark, etc.), where the laborers receive less wages than in the large cities themselves. Extraordinarily well trained laborers receive higher wages in America the same as in Germany, but these are merely exceptions.

The prices of tanning materials are even dearer in Germany than in America, since the duties on a part of the tanning woods and extracts obtained abroad are higher than in America, being considerably higher in the case of unleached quebracho wood. An erroneous assertion contradicting this fact is also found on page 5548, paragraph 1.

In a communication from the calf-leather manufacturers of Milwaukee (p. 5547, par. 6 et seq.) it is asserted that the foreign manufacturers enjoy more favorable freight rates than the American. In reply to this our experts point out that the principal patent-leather, box-leather, etc., factories are located in south Germany, and that only a part of their raw material is of south German origin, they being compelled to obtain it either from north Germany, Silesia, and east and west Prussia, or (as is the case with the greater part of their purchases) from foreign countries such as Sweden, Denmark, Russia, etc. The transportation of the goods reaching German ports from abroad to south Germany is chiefly by rail, which is the most expensive means of transportation, and the freight by sea from the Russian, Swedish, and Danish seaports to New York is often cheaper than the transportation from these ports to south Germany. The cost of transportation from New York to the American place of manufacture is not sufficiently great, at any rate, to constitute a handi-

cap as compared with any advantage in the way of freight enjoyed by the south German manufacturers. The latter must reckon with higher freight charges for the transportation of their products from the tannery in south Germany to the American market than the American in his sales in America.

#### LEATHER GOODS.

— reports as follows regarding pamphlet 20, page 2549:

In the first place, we must characterize it as absolutely untrue that the ability to compete of foreign countries, especially Offenbach, is increased as compared with America by having American laborers and foremen hired by Germany and by having American machinery introduced here in order to take up the struggle of competition with America. There have been no American laborers, foremen, or machinery introduced here, a fact which the undersigned can knowingly and conscientiously certify to as syndic of the Grand Ducal Chamber of Commerce and as president of the Union of Leather Goods Manufacturers. It may very likely be that some portfolio worker of this place who had emigrated to America returned here on account of homesickness or other reasons. One thing is certain, that laborers and foremen here have been spirited away by American competitors and induced to emigrate to the United States.

Therefore neither American laborers nor American machinery and models are to blame for the decline in the American output, if indeed there has been such a decline, which we doubt. The very slight increase in German exports to the United States has taken place solely because a demand has arisen for so-called "fancy articles;" that is, those which are distinguished by greater originality, make-up, form, color, and material, whereby they are specially distinguished from the American articles, which are mostly produced plainly and in vast quantities. This is the principal and indeed the only valid reason for any possibility which may yet exist of exporting fine leather goods from here to the United States.

The American expert further states that the materials of which his articles are produced pay 40 to 60 per cent duty while the finished article pays only 35 per cent. This argument is also false, for the following reasons: The expert refers to a hand bag which he exhibits with the remark that the fine silk finish and the fine glass and other trimmings are subject to a heavy duty. This may be, but such hand bags are absolutely exceptional articles and are not included among the principal imports. The vast majority of imported articles are without any complicated make-up and are made of leather and not silk. As leather is subject to a duty of 20 per cent, the duty of the materials of which these hand bags are made is certainly not higher than the finished article; that is, than 35 per cent. The various materials, such as smelling bottles, powder puffs, etc., are hardly to be taken into account, as their price is immaterial as compared with the total price.

As regards wages, the enormous difference which the expert figures out likewise does not exist. The wages at Offenbach, which are really the only ones coming under consideration, have increased so greatly that they are 20 to 25 per cent higher than three or four years ago.

They are therefore by no means as cheap as stated, and even though there may exist a slight difference between the wages in America and Offenbach (which is difficult to express in per cent), it is more than offset by the advantages of the American system of labor. This system consists in a very practical distribution of work, which we are unable to introduce in Germany because a much greater variety of articles is demanded here than in the United States, where few varieties in very large quantities are sold and therefore an unusual uniformity and consequent cheapening of labor exists. As a proof of this the fact may be cited that the principal articles of consumption of the leather-goods industry in the United States are produced so cheaply that the imports thereof have decreased to a minimum for many years. The protection afforded by a duty of 35 per cent has therefore proven to be amply sufficient, and under it so efficient an industry has sprung up in the United States that the German imports in the principal staple articles are hardly worthy of consideration. To be sure the Offenbach industry has opened up a small market for itself in America for several years owing to the taste and energy bestowed on its goods.

We must most decidedly contradict the statement that the Offenbach industry, as it is accused of doing, only copies American models and hires American laborers for this purpose, being only able to compete in this way. The contrary is the case. The annual reports of the Offenbach Chamber of Commerce constantly complain that American purchasers come here and buy novelties, but never send any subsequent orders, these styles of goods being soon afterwards produced in America.

It is evident that the statements of the expert are made for the purpose of misleading the members of the committee, and we can not too emphatically protest against this by making clear the following points:

1. That there has been no reflux of German laborers from the United States to the leather-goods factories of this place.
2. That likewise no American machinery or foremen and laborers have been introduced here.
3. That the main argument of the expert, viz., that the production of fine leather goods in the United States is 45 to 60 per cent more costly (than in Germany) and that therefore a protective tariff of 35 per cent is not sufficient, is absolutely false and made up out of whole cloth.

#### MATCHES.

The Chamber of Commerce of Augsburg has received the following report regarding pamphlet 21, page 2782 et seq.:

It is stated on page 2785 that matches are now imported into America at 23 cents a gross, while they attained a price of 40 to 45 cents a gross ten years ago. According to our information, this is not correct, at any rate as far as the German match industry is concerned. At least the joint-stock company has never yet exported matches to America at 23 cents a gross, but is now exporting the ordinary size box at 40 to 45 cents a gross, the same as ten years ago.

If matches are actually exported to America at 23 cents a gross, this is probably done by Japanese and Belgium firms, whose products

can by no means be compared with the German, and which have a great advantage over the German factories in regard to the cost of production, owing to the employment of child labor without restriction as to length of hours, to the fact that the duties on the raw materials are low or do not exist at all, and to the absence of expenditures under the social laws. The German match industry has therefore in no wise injured the match market in America. The statements regarding the wages paid in the European match industry are also exaggerated as far as Germany is concerned.

[Nos. 408-463.]

SUNDRIES—AMMUNITION, ARTIFICIAL FLOWERS, KID GLOVES, MUSICAL INSTRUMENTS, CLAY PIPES.

AMMUNITION.

The following has been reported to the Chamber of Commerce of Halberstadt regarding pamphlet 36, page 5357 (cf. also pamphlet 21, p. 2730) :

The values and figures given by the America ammunition manufacturers can not be used in the form given in order to institute a comparison with German conditions. Nevertheless, we will cite the following facts because we consider them of importance in judging the enormous duties which the United States are collecting to-day:

It is certain that the most important raw materials in the ammunition industry, namely, copper and lead, are not dearer and are perhaps cheaper in America than in Germany, for by far the greater part of the copper, as well as lead, used in the German ammunition industry comes from America, and is naturally rendered more expensive to the German purchaser by freight and intermediate handling.

As far as gunpowder is concerned, there is no material difference between the prices in Germany and America, since the German powder prices have been quoted very high for many years, in consequence of a permanent ring in which all the more prominent powder manufacturers are combined.

The only thing which is less favorable to the American manufacturer is the wages paid, and we must admit that the American wages are about 50 to 80 per cent higher, though the wages in our line are by no means more than twice as high in the United States. We have learned these facts by a personal sojourn in the United States, and it is by no means in accordance with facts when the statement is made in America that the wages are three times as high.

In other respects, as we said before, the figures mentioned on page 5357 are compiled in such manner as to be absolutely useless for a comparison, in our opinion, and the only purpose in grouping them thus is to conceal the actual conditions.

We wish to use as a practical illustration an article which the German factories formerly exported to American in enormous quantities, but which can practically no longer be imported into the United States, owing to the tremendous increase in duty. This article is detonating primers (used for igniting explosives), the most important kind of which is designated by No. 3.

The value of the material used in 1,000 of these No. 3 primers is 7 marks, the wages paid on them amount to 0.75 mark, or about 10 per cent, and we offer the finished article at New York at about 9 marks per 1,000. The duty collected on this article is about \$2.63 per 1,000, or over 100 per cent of its value.

In the case of ammunition, for instance, metallic cartridges, the import duty into the United States amounts to 35 per cent of the value of the article, and this is so enormously high that no business can be done over there. However, the statements of the American manufacturers can best be refuted by the fact that they offer their products, for instance, .22-caliber ball cartridges, an important kind of ammunition, at the same prices in Germany as they are offered and sold at by the German manufacturers, this being the best proof that it is hardly more expensive for the American to produce these articles than for the German manufacturers.

The following figures will show the difference between the two countries with regard to the tariff in general:

One thousand .22-caliber cartridges imported into the United States pay, if we wish to deliver them there at cost, that is, at an average of 7 marks, a duty of 35 per cent of this amount, or 2.45 marks per 1,000.

The same article imported into Germany from America pays a duty of 0.90 mark per 1,000, for since the German duty on this kind of ammunition is 30 marks per 100 kilograms and 1,000 of said cartridges weigh 3 kilograms, the aforementioned figure is the result arrived at. In the case of detonating primers the figures are more unfavorable to the German article. One thousand of No. 3 weigh 1.35 kilograms, and the German duty of 30 marks per 100 gives in round numbers 0.56 mark per 1,000 as the German tariff. In America, as above mentioned, the duty amounts to \$2.36 per 1,000, or 1.05 marks duty on the German article in America.

Chamber of Commerce of Halberstadt states that principal raw materials used in the manufacture of ammunition, viz, copper and lead, are probably higher in Germany than in the United States, for the reason that those materials are largely drawn from the United States, and the German manufacturer has to pay the freight and the middleman's profit.

As regards gunpowder, there is no considerable difference between German and American prices. Prices in Germany have been ranging high for some years as the result of a strong combination of the large powder manufacturers.

The statement that wages in this industry are three times as high in America as in Germany is not borne out by facts. A careful personal investigation has established the fact that wages in America are from 50 to 80 per cent higher, but in no case more than twice as high as in Germany.

The prohibitive increase in duty on several manufactured articles in this industry has made it practically impossible to introduce them into the United States. A practical example of this is found in the Detonator No. 3: Cost of material per 1,000, \$1.67; wages, 18 cents; our price laid down in New York, \$2.14. The duty on this article is \$2.36 per 1,000, or over 100 per cent ad valorem.

The difference in duty between the two countries on ball cartridges (caliber .22) per 1,000 is as follows: In America, 58 cents; in Germany, 21 cents.

#### ARTIFICIAL FLOWERS.

A manufacturer of artificial flowers reports as follows to the Chamber of Commerce of Dresden regarding pamphlet 21, page 2668; pamphlet 32, page 4673; and pamphlet 36, page 5336:

It is by no means true that the ratio of wages is as 1 to 4, or, as stated on page 5337, as 1 mark to \$1. On page 4687 the average wages per week are given as \$8 to \$10, but no distinction is made between male and female workers, although as a general rule female workers receive less wages in the United States than male. We have male workers who receive from 30 to 35 marks a week, while female workers receive from 17 to 20 marks. Cases such as that described on page 4682, in which a manufacturer paid a girl 25 cents a week to begin with and finally increasing her wages to \$2, do not occur here. The custom in Sebnitz is for girls to begin earning wages from the day they enter the factory, even unskilled workers receiving at least 8 marks a week at the start and being increased within a very short time.

It is also impossible for us to agree with the opinion that the general expenses of American manufacturers are much higher than here. If a manufacturer in the United States has higher expenses than Germany, this is due merely to the lower purchasing power of money in the United States. It is impossible to see, however, why a manufacturer over there should have a greater per cent of expenses in connection with his business than a German.

#### KID GLOVES.

A manufacturer reports as follows to the Chamber of Commerce of Dresden regarding pamphlet 20, page 1515:

We may state, on the basis of our many years' experience, that the data given on page 2523 are correct in every respect. On the contrary, those given by Mr. Littauer (p. 2526)<sup>a</sup> are incorrect, and the night wages which the German manufacturer has to pay are as follows:

Ordinary sewing with rounded-off seam, 1.80 to 2 marks per 200 pounds. (Mr. Littauer says 24 to 30 cents.)

Quilted (whipped seam) gloves (Stepphandschuhe), 4.50 to 5 marks. (Mr. Littauer says 54 to 60 cents.) We also doubt the correctness of the wages of American seamstresses and glovemakers as quoted by Mr. Littauer, and deem his statements to be exaggerated.

#### MUSICAL INSTRUMENTS.

[Pamphlet 28, page 3887.]

A manufacturer from Markneukirchem reports as follows to the Chamber of Commerce of Plauen:

The statements made by Mr. Pound are by no means in accordance with the present conditions of the industry here. They might have been correct fifteen or twenty years ago, but they are entirely incorrect to-day.

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<sup>a</sup> Meant for Europe.

[Page 3889, paragraph 11.]

The trumpets and bugles mentioned in this paragraph are for the most part made in America to-day. We ourselves formerly received large shipments thereof, and at present, in view of the enormously increased wages and the duty of 45 per cent it is simply impossible to export any longer.

[Page 3891, paragraph 4.]

Although home labor still exists to a great extent in our industry, it is not so pronounced as it was thirty or forty years ago. Large establishments have arisen in the course of time, and the small home industries have taken on quite a different character than formerly. The employment of women and children can no longer be calculated on, since the new laws contain rather severe provisions in this regard.

[Page 3892 et seq.]

The facts cited by Mr. Pound regarding wages seem to be a creation of fancy. There has never been such a thing as child labor at 3 cents a day, and it certainly does not exist at present. Apprentices from 14 to 16 years old, who are now allowed to work only a limited number of hours, receive board wages of 6 to 8 marks a week the first year, which is correspondingly increased in the second and third years. The wages of 60 cents and \$1 a day, as cited, may have been paid fifteen or twenty years ago, but now the wages for an ordinary laborer are \$1, and for well-trained laborers, from \$1.50 to \$1.75 a day.

The overhead charges are sufficiently high here, higher than anywhere else. The payments for social institutions, such as sick funds, disability insurance, trades unions, etc., are at all events so high that a factory has to take this enormous burden into very serious consideration.

There can be no question of an "indigent laboring class" and "starvation wages," such as Mr. Pound fears would be a constant danger to America. Except during dull business periods, where there are unemployed everywhere, laborers are lacking here also during normal times. The reason has been that many persons have become engaged in other industries on account of low wages, and it has also been due to this circumstance that wages were considerably increased in order to keep the laborers.

#### CLAY PIPES.

The Chamber of Commerce of Limburg on the Lahn has received the following report in connection with pamphlet 21, pages 2667, 2757, and 2758:

The statements made regarding German pipes are based on errors. For instance, it is untrue when Kurth asserts that the wages paid here on an ordinary clay pipe are 13 cents. The cheapest clay pipe that is exported to the United States costs 18 cents in wages, to which are added 15 cents duty, and freight and expenses 7 cents, Franco-American seaport, amounting to 40 cents altogether. In contradistinction to this the wages paid in America are 36 cents, according to Kurth's own statement, but it seems probable to us that the cheap sorts are produced still more cheaply over there. The present duty of 15 cents is excessively high, being almost equal to the cost of pro-

duction of the clay pipe. The same applies also to the better articles, such as cutty pipes (stummels), mounted pipes, etc., the duty on which is 60 per cent. The American pipe is amply able to stand the competition and is gaining ground from year to year.

#### LEATHER GLOVES.

The Chamber of Commerce of Altenburg reports as follows regarding pamphlet 20, page 2515:

Mr. Littauer has made statements regarding the conditions of production in Germany, which are to a great extent based on erroneous suppositions. It would take too long to examine into all of the details of Littauer's statements, and only a few specially important points will be taken up here.

Littauer alleges that the production of a dozen pairs of leather gloves, exclusive of the leather, costs \$2.14 (8.98 marks) in Germany. This, however, is not in accordance with facts, for even though this price may be paid in certain regions, it can not be taken as the average rate. Moreover, the prices for cutting out, as cited by him, are also incorrect. The minimum wages for cutting out gloves were cited at 2.30 to 2.80 marks, whereas, for instance, at Munich the minimum wages are 3.36 marks per dozen and at Altenburg 3.10 marks. Littauer further states that the leather for a dozen pairs of gloves costs \$7 in America, including duty, a price which is by no means correct, as the cost is considerably lower.

On page 2526 of the report, Littauer speaks of the wages for sewing, mentioning 24 to 30 cents a dozen (1 to 1.30 marks) as the wages for ordinary sewing in Germany, as against 75 cents a dozen in America, and 50 to 60 cents a dozen (2.30 to 2.55 marks) for whipped seam in Germany, as against \$1.40 per dozen in America. The lowest wages for ordinary sewing in Germany amount, however, to 1.55 to 2.70 marks, and for whipped seam to 3.30 to 4.20 marks. Littauer further states that a large number of German manufacturers send their gloves to Belgium to be sewed, because, as he supposes, the sewing wages are cheaper there. This statement is also wrong, for seam sewing is 25 pfennigs dearer in Belgium than in Germany. The real reason why the German manufacturers have their sewing done in Belgium is because a finer and better seam is made in that country than in Germany. Littauer's statement regarding the dyers' wages in Germany are as incorrect as those regarding the wages paid for cutting out and sewing seams.

The hearings before the Committee on Ways and Means, which also related to the duties on leather gloves, show that erroneous ideas are entertained by American manufacturers regarding the cost of manufacture of gloves. Thus the expert, Mr. Littauer, who was examined on this matter, stated that the production of a dozen leather gloves in Germany cost \$2.14, or 9 marks. However, even if this price (as we doubt) should be paid in individual districts, it can not be taken as the average rate, but must be regarded as an exception, for in reality the cost of production of fine gloves in Germany comes to 13 or 16 marks. In view of this price, the present tariff seems amply sufficient to offset the difference in the cost of production in America and Germany. The prices for cutting are likewise quite wrongly given by the incorrectly informed importers. Thus, 2.30

to 2.80 marks are given as the minimum wages for cutting, whereas, for instance, in Munich, the minimum wages per dozen are 3.36 marks. Equally incorrect are the statements with regard to dyeing. The assertion of Mr. Littauer that the leather for a dozen gloves costs \$7 is also erroneous, the price being much less on an average. Furthermore, the statements concerning the wages paid for sewing seams (p. 2526 of the report) are also incorrect. Mr. Littauer mentions 24 to 30 cents (1 to 1.30 marks) as the wages for ordinary seams, and 54 to 60 cents (2.30 to 2.55 marks) as the rate paid for whipped seams. It is unlikely that such wages are paid anywhere in Germany, as the lowest wages in Germany for ordinary seams are 1.55 to 2.70 marks, and the rate paid for whipped seams 3.30 to 4.20 marks. The reason why the German manufacturers send their gloves to Belgium to be sewed is by no means because the prices for sewing seams are cheaper there than in Germany, for as a matter of fact Belgium seams cost 20 to 25 pfennigs per dozen more than in Germany. Mr. Littauer therefore errs in this regard also.

#### GLOVE LEATHER.

— reports as follows in regard to pamphlet 47, pages 7069-7073: Women laborers are not generally employed in the factories exporting kid leather to North America, there being only a few women employed in very isolated cases.

The wages paid in these factories are as follows:  
 In the tannery, about \$5.83 to \$6.92 a week.  
 In the dressing establishment, about \$6.90 to \$8.57 a week.  
 In the dyeing establishment, about \$5 to \$6.31 a week.  
 On page 7073, for instance, 20 to 23 marks are mentioned as the dyer's wages. Such wages were paid years ago, but at present the actual weekly wages of dyers is 26.50 marks.

The American kid-leather factories are not yet very significant and employ no more than 500 persons at most. They have not advanced to any appreciable extent in spite of many years' efforts, and are not able to-day to produce an article which even approximates the quality of German kid. Owing to a lack of suitable and well-trained workmen (a large part of the labor in our special industry is performed by hand), as well as owing to the considerable difference in quality, they would be far from being able to supply the growing American demand for kid leather.

#### SILK EMBROIDERY.

The following report is made to the Chamber of Commerce of Plauen regarding pamphlet 35, page 5150:

At the first glance the example cited by way of calculation looks very innocent, as little can be said against it as far as the figures are concerned. However, the increase in customs duty arising from the proposed additions to the wages paid per stitch is quite a different matter and would affect those very articles of better quality (contrary to the example cited as a calculation), in which business can still be done with America at this time. The accompanying samples may serve as a proof, in which the additions to the wages paid per

stitch (calculated exactly according to the stitches, Schiffl, one-fifth cent per hundred stitches and yards) amount to 52 per cent of the value, so that, adding 60 per cent ad valorem, there would result a total duty of 112 per cent, while the Americans figure out an additional wage per stitch of 8 to 10 per cent in the example cited by them with regard to a very ordinary article. In the case of hand machines (for 20 stitches, one-fifth cent per yard) the additional wage amounts to as high as 80 per cent.

Furthermore, attention is called to the almost insurmountable difficulty which an additional tariff calculated according to the number of stitches would cause in determining the duty.

#### APPENDIX I.—WAGES IN THE GERMAN LITHOGRAPHIC INDUSTRY.

[Statement regarding the increase of the import duty on lithographic work in America.]

Out of a total of 16,000 lithographers and lithographic and photographic printers in Germany, about 5,500 are employed in producing lithographic work for America. In addition there are about 20,000 assistant laborers and female workers.

When the American owners of lithographic plants state in their report that a lithographer in Germany earns from 32 to 36 marks, this is about correct on an average. The average does not even reach as high as 36 marks, being about 30 marks. The average wages are the same, however, in the case of lithographic printers operating power machines, both receiving the same rate and not a certain amount less, as asserted by the Americans. Lithographers as well as lithographic printers working at power presses earn as high as 50 marks in Germany.

However, the average wages should not be taken as a criterion in the case of exported work, for as a rule only high-grade work is sent to America, on which are employed the best workmen receiving above the average rate of wages. Consequently we are fully justified in comparing the wages of the German high-grade workmen with the wages quoted by the Americans. Thus, for instance, several lithographers in exporting firms at Berlin and elsewhere earn from 40 to 50 marks a week, as do also lithographic printers operating power presses and photographic printers. Of course these same firms also pay much lower salaries, but in the case of exported goods the average wages paid are always higher.

To the statement that the low German wages alone control the American market, we can reply that the American lithographic worker is able to accomplish much more owing to technical arrangements, machinery, and rotary presses. German work, on which rotary presses can not be suitably used, has hitherto been able to control the American market almost solely as a result of better quality.

In the class of work produced in America the product is materially cheapened and the amount of work turned out considerably increased by means of rotary presses, so that in spite of the higher wages paid American owners of lithographic plants are still much ahead of their German competitors in various articles.

Our union, which has existed since 1874 and includes about 88 per cent of all lithographic printers employed in Germany, annually

fixes the rate of wages paid throughout Germany. We therefore cite the result of the wage statistics prepared in 1908. These statistics include all workers in this line employed in Germany, and not only the high-grade workmen who are really the only ones coming under consideration in this connection. The average wages earned throughout Germany were as follows:

	Marks.
Lithographers -----	29.85
Lithographic printers at the power presses -----	29.65
Lithographic printers at the hand press-----	27.85
Photographic printers-----	40.35

The wages of female assistant laborers range from 7 to 18 marks and those of male assistant laborers from 15 to 30 marks, the latter-mentioned higher wages being those paid to high-grade laborers. The reason we took the liberty of speaking on this question was particularly because our union has constantly observed the conditions with regard to lithographic workers for many years and is therefore better qualified than anyone else to determine the wages paid. Inasmuch as the undersigned was chosen as the international representative of the lithographic workers of all industrial nations and is in constant communication with the lithographic laborers of all countries, no doubt should be entertained as to the above data on wages paid in Germany.

While willing to furnish any further information, I have the honor to be,

Very respectfully,

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THE SECRETARY OF THE INTERIOR.

(It should be remarked in connection with the above that the figures given are the cash salaries actually paid, without reckoning the payments which the employers have to make for the benefit of their laborers—sick funds, accident insurance, etc.—amounting to about 5 per cent of the amount of the wages. In order, therefore, to arrive at the actual wages paid by the employers, 5 per cent must be added to the above figures.)

APPENDIX II.—DIFFERENCES IN THE FIGURES OF THE AMERICAN AND GERMAN COMMERCIAL STATISTICS.

THE SECRETARY OF THE INTERIOR,  
*Berlin, February 22, 1909.*

In pamphlet 13 of the tariff hearings Mr. Burgess, who was examined as an expert (p. 1454), refers to the great differences in the figures of the American and German commercial statistics—that is, regarding the German exports of pottery and china ware—the conclusion being drawn that considerable undervaluations occur in these goods. Mr. Gerry and the importers at New York have already given oral declarations before the commercial expert in said city concerning the cause of the difference. However, the matter seems so important to me in view of the pending tariff revision that I wish to recommend that an official communication regarding the subject be sent to the American Government, calling attention to the following points:

The figures given by Mr. Burgess are correct, generally speaking, but the statement is wrong that they relate to the same period of time, for the German statistics are based on calendar years and the American statistics on fiscal years. However, even if we compare the figures given in both countries for the calendar year 1907 (American imports, \$5,585,580; German exports, \$8,119,000), a very considerable difference is found. This is traceable, on the one hand, to the fact that the final country of destination can not be determined in the case of exports from Germany, and therefore large quantities of goods figure in the exports to the United States which are shipped through United States ports to other parts of America (Canada, Mexico, and Central America). To what extent this is actually the case can not be determined from the statistics, for the reason that in the American publications only the value and not the quantity of the imported china ware is given. However, the difference may be explained more than anything else by the fact that the American statistics are based on the declared value, while the German statistics are mainly based on estimates which are not made for each individual shipment, but annually for the total exports.

Furthermore, in the case of china ware the estimate is not made according to countries, but the average value of the exports to all countries is estimated. The only exception is the china ware coming under No. 733 of the statistics (fancy articles, ornamental vessels, figures, and the like), in the case of which the statement of the value of each individual shipment is required. The average value of the total exports of fancy china ware was estimated at 177 marks per double centner in 1907. In the case of the exports to the United States this value is estimated much lower, viz., 138 marks per double centner. Inasmuch as the fancy china ware mentioned under No. 733d includes much more valuable articles, generally speaking, than the colored tableware shown under No. 733c, the result is that the average value of 165 marks per double centner (100 kilos) as estimated for the total exports is considerably too high for the exports to the United States.

The inquiries made by the imperial statistical bureau with regard to 1908 confirmed this fact and showed that the average value of the colored tableware exported to the United States in 1908 was only about 98 marks. If we assume that the value of the exports in 1907 was, say, 12 per cent higher, and if we take this amount as a basis in calculating the value, it will be found that the value of the colored tableware exported to the United States in 1907 amounted to about 19.37 millions, instead of 29.1 millions, as given in the statistics. The total value of the German exports of china ware and pottery to the United States in 1907 would accordingly amount to about 24,400,000 marks, or \$5,810,000, a sum which is approximately equal to that given in the American statistics.

Similar discrepancies due to the same causes are also found in the case of other goods. Thus, for instance, the value of the German imports of anthracite coal from Great Britain in 1907 is thirty millions higher, according to the German statistics, than in the calculation of the value on the basis of the English estimate.

APPENDIX III.—WAGES AND DUTIES ON CHROMOLITHOGRAPHIC CIGAR  
LABELS.

THE CHAMBER OF COMMERCE AND INDUSTRY AT ZITTAU,  
*Zittau, February 8, 1909.*

[Regarding the American customs tariff—Item 400 of the proposed American tariff.]

As the royal ministry is aware, there is an important chromolithographic institute at Bautzen which engages in the production of cigar-box labels. This concern makes considerable exports to the United States, the value of the products sold by it to that country having amounted to 189,221 marks in 1906, 377,312 marks in 1907, and 195,606 marks in 1908.

Now, the Americans intend to make an extraordinarily large increase in the duty on lithographic products. In justification of this step, the American parties interested have alleged that the German wages in this branch of business are much too low in comparison with the American, and that the duty must consequently be made high enough to offset the difference in wages, for not until then would the American manufacturer be able to compete with the Germans.

In reply to this, we may state that although it can not be denied that a considerable difference exists between the wages paid to lithographic engravers and printers in Germany and America, it is also a fact, on the other hand, that the American worker is obliged to perform considerably more work in a day than the German. The higher wages paid to printers are therefore compensated to a certain extent by the larger amount of work finished in a given time. Then, again, there is hardly any difference in the salaries paid to assistants, although the Americans would have it believed that this is the case.

Even at present lithographed cigar labels, flaps, and bands are subject to a higher duty upon entering the United States than other printed matter produced in colors. The rates of duty are as follows: Cigar-box labels, flaps, and bands, per American pound, 20 cents when executed in 7 colors and 30 cents when executed in 8 or more colors. This is on the supposition that no gold leaf has been used. If bronze is used in the colors, it counts for 2 colors. If the labels and bands are made with gold leaf, the duty is 50 cents whatever the number of colors. Although these rates may already be considered as very high, the lithographic establishments in the United States have proposed in the communications before us that the duties be increased to the following rates:

*Rate of duty per American pound.*

Lithographic labels, flaps, and bands, printed or unprinted, printed on stone, zinc, aluminum:

Labels and flaps, when executed in less than 8 colors (bronze reckoned as 3 colors), but not including those printed on metal leaf-----	\$0.30
Bands, executed in less than 8 colors (bronze printing reckoned as 3 colors), but not including those printed on metal leaf-----	.60
Labels and flaps executed in 8 or more colors (bronze printing reckoned as 3 colors), but those printed on metal leaf not included-----	.40
Bands in 8 or more colors (bronze counting as 3 colors), those printed on metal leaf not included-----	.80
Labels and flaps, wholly or partially printed on metal leaf, and not having more than 5 additional printings-----	.50
Labels and flaps, wholly or partially printed on metal leaf, having over 5 additional printings-----	.75

Lithographic labels, flaps, and bands, printed or unprinted, printed on stone, zinc, aluminum—Continued.

Bands, wholly or partially printed on metal leaf, and not having over 5 additional printings -----	\$1.00
Bands, printed wholly or partially printed on metal leaf, and having more than 5 additional printings-----	1.50
Additional duty on labels, flaps, and bands, however printed-----	.10

We take the liberty of adding some comparative calculations to the foregoing, which have been placed at our disposal by our informant in order to show the difference between the present duty and the one which it is expected to adopt. These show that the duty, which now amounts to from 31.07 per cent to 45.78 per cent ad valorem on cigar labels and to from 24.69 per cent to 27.75 per cent ad valorem on cigar bands, would be increased to from 52.56 per cent to 80.40 per cent ad valorem on the former and from 71.88 to 97.20 per cent ad valorem on the latter.

Our informant states in this connection that the present duty on lithographic products is just barely supportable, and that any increase would entail serious injury to the German lithographic establishments. Our informant furthermore makes the following declaration:

The capacity of the American lithographic establishments is almost unlimited, as far as the quantity of their output is concerned. The case is otherwise, however, with respect to the quality of the goods, the American establishments being unable to turn out as finely executed work as we can.

The prices at which our American competitors sell their goods are, generally speaking, lower than those at which the German goods can be offered in America. From this it follows that only those lithographic products are exported by the Germans which are so fine in execution that the American competitors are not now able to furnish them. However, there is absolutely no prospect of competing with the Americans in the case of goods in which such fine quality is not demanded and which can be manufactured right in America.

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To the ROYAL MINISTRY OF THE INTERIOR,  
*Division of Agriculture, Dresden.*





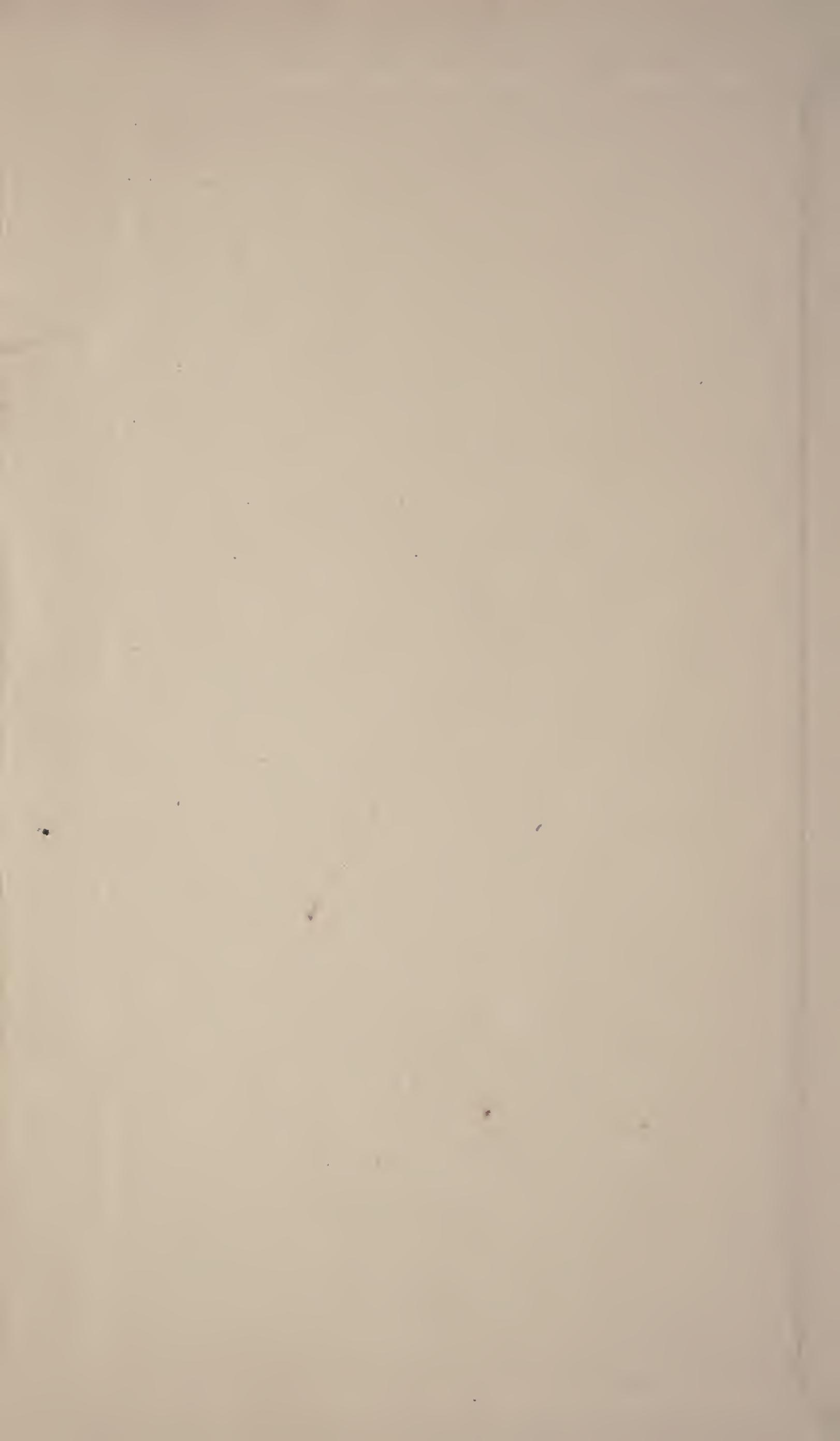




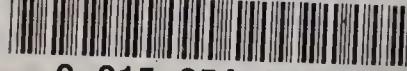








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